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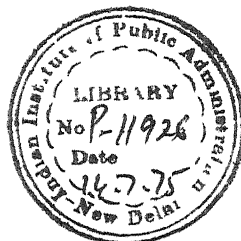
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## EDITORIAL

On March 1-2, 1974, we had organised a Seminar on 'Urban Planning and Development Authorities' mainly to take stock of organizational problems in our larger metropolitan complexes. These complexes have been bearing the brunt of urbanization; yet, it has not been possible to frame suitable organizational designs to meet the challenges methodically. The metropolitan areas pose peculiar problems of governance throughout the world. In our country, the problems are far more acute because of poverty of resources and lack of adequate attention to managerial issues. The magnitude and complexity of the problems are such that it will be futile to expect only one level or type of organization to fight the problems single handed. What is needed is perhaps to have a dominant or primary organization that would be at the centre of operations, and its efforts would have to be supplemented by other organizations located horizontally or vertically. When governments multiply, paradoxically enough, there may be a governmental vacuum. Hence, one of the crucial problems in all metropolitan areas is the harmonization of the efforts of different types and levels of government having their impact on the area. We, in this country, have been groping for suitable governmental solutions to the metropolitan area problems. The discussions in the Seminar have been immensely useful in crystallising ideas on the shape of governments in the metropolitan complexes and larger urban areas. We have included in this issue four papers presented at the Seminar. There may not be a tabloid solution to metropolitan problems at different locations. Yet, one has to keep one's eyes and ears open to developments all over the country.

—EDITOR



## Governing the Metropolis

### *The Context : Metro Growth Inevitable*

THERE is a slow but growing realization in the developing countries that tomorrow's world will be largely urban. In India already 19 per cent are in cities as of now and 19 per cent of over 550 million is not a small figure. chances are, by the end of the century the urban proportion in India as elsewhere in the developing world, will not be less than 30 per cent. More important than these numerical urbanisation is the fact, much of this growth will take place in large cities. Notwithstanding all efforts to disperse growth, remove regional imbalances and spread urban-like service to the countryside the primate cities which are already several times more populous than the next town in their region will continue to grow rapidly. India already has ten cities with over a million people as of now, compared to only 4 in 1951. And it is these which are adding to their number faster than others. Greater Calcutta, to cite an instance, had 6.2 million people in 1961. It now has 8.3 million and the more conservative projections place the figure at 12.7 million by 1986. In a quarter century Calcutta will have doubled itself. Bombay, Delhi and Madras at least, are likely to go in the same direction. The phenomenon is not confined to any particular developing country. Abidjan grew from 69,000 in 1950 to half a million today; Lagos from a quarter to 1½ million; Bangkok from 1 to 3 million and Bogota from 0.6 to 2.5 million.

Though no close relationship has been established between city size distribution

and relative economic development and while many of the growing large cities are ancient and young as well, speaking generally, efficiencies for increasing production and incomes continue to be more easily available in the metropolitan areas. The facility of communications with consumer markets and primary production materials, an existing manufacturing base, pool of finance, management and labour resources, the range of goods and services, the variety of skills, etc.—all these, allowing for certain exceptions where an environment is specially created for a large industry, seem to be within greater reach in the metropolis. Higher farm incomes may only add strength to the consumer demand and consequent industrialisation/urbanization. While new centres of industry and urban growth will help deflect the migrant tides into larger cities, this will only be a partial deflection at best. In all, we have to reconcile ourselves to large cities becoming larger.

Size apart another inescapable (at least in the foreseeable future) feature of the large cities will be, the majority of the citizens would not be able to afford the kind of services which the metropolis needs as part of its infrastructure. With over 60 per cent of the families having income of less than Rs. 200 many would be "priced out" of the pucca city, so to say, falling outside any form of amortizable housing or other services. Depending on the efficiency of the institutions charged with the upkeep of the city, consumer charges would exist no doubt but in most cases the sum total of these charges would be well below the amounts needed for

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amortizing or even maintaining these services. Attempts to recover the costs of services through consumer charges or even property rates (especially in the context of socialising urban land) are not likely to succeed. Financing the metropolis cannot, therefore, be relegated as a civic responsibility only.

### *Special Problems in the Metropolis*

It is in this context that the requirements of Metropolitan Administration have to be viewed. There are, besides, several special features which characterise the functioning of the metropolis. Some of these are described below :

By definition the metropolis is a multiple of polities of different units. The metropolis is a product of evolution. When the city ceased to be a bastion of defence and communications became easier, suburbs developed and slowly coalesced with the core city as in 19th century Europe. Over a period of time self-governing institutionalities developed for these different polities and their identities consolidated. In time the gaps between the first city and subsequent settlements were filled and a really the metropolis was a reality. Yet, all over the world the numerous polities have remained highly fragmented. In the U. S. eleven metropolitan cities are fragmented in over 250 administrative units out of which 5 have more than 500 units. Greater Calcutta for instance comprises 2 Corporations, 35 Municipalities, 61 non-municipal urban units and over 100 semi-urban Anchal Panchayats.

By definition again, notwithstanding the fragmentation, the different units of the metropolis share a Central Business District, strong economic ties, a circulation, system and often other basic services like water and sanitation, health, education, etc. Usually the urban support system, i.e., daily supplies and their distribution, is also shared. The efficient sharing

of these services in proportion to the needs is itself a major task in the metropolis.

While the metro core draws its economic strength from the rest of the metropolis, it has to contend with a sizable day time increase to its population. The core is usually the CBD with high density office population but very little residential support. The situation may vary one metropolis to another, but usually it is the metro core which has to provide the vast array of civic services needed for the large day time population. Where the metro core and metro fringe do not share the same boundaries it is likely that a substantial part of the day time population may not be within the taxing purview of the metro core at all.

### *Requirements of Metropolitan Administration*

The broad requirements of metropolitan administration may then be stated as follows :

- Planning at the metropolitan as also local levels; the machinery should include measures for the enforcement of plans as well.
- Development or implementation of the planned programme which includes devising a machinery for mobilising resources for capital development.
- Operations and maintenance of the services at the metropolitan as also local levels including measures for defraying the costs by taxes and other means.
- Participation of the general public, consumers of the general public.

The central issue in governing the metropolis is whether these functions should reside, conceivably, feasibly in one body or should be distributed among more

than one. What are the alternatives, especially in the Indian context?

### *Fragmentation with Marginal Control*

One is to live with the existing fragmentation of the metropolis in numerous administration units. Some marginal consolidation may be attempted to put together patently small and non-viable local units but the multiple polities will continue. Resources will have to be mobilised and applied on an area basis. Inevitably there will be conflicts of jurisdiction, considerable disparity in the level and standards of services rendered and wastage of resources. Chances are the different units will share financial bankruptcy and be largely dependent on the State. Partially, an attempt may be made to control the chaos by setting up some kind of a metropolitan planning body at the State level or at State initiative on a federative basis. Such a planning body might be responsible for overall metropolitan planning, drawing up capital development programmes, guide resource mobilization and allocate resources through capital budgeting. Since the polities retain their autonomy, it is likely such a planning body will be largely consultative or advisory, and may not have any decisive role. This, in essence, was the situation in Greater Calcutta between 1961 and 1970, the period when the Calcutta Metropolitan Planning Organisation was charged with the tasks of plan preparation, and capital programming. Of course, there was no statutory base for the planning tasks but it is very doubtful whether even such a base would have ever helped the CMPO discharge planning enforcement functions in the absence of adequate machinery at local levels to receive and relate the metropolitan plan to local land use and building bye-laws. At any rate, in the context of very large deficits which characterize all our metropolitan cities (with the possible exception of Delhi) setting up an elaborate machinery for the traditional, land use type of master planning is only an evasion of real issues.

### *Functional Districts Approach*

The next model available is 'Functional Authorities', popular as yet in western countries especially the North America. The functional authorities pattern was evolved not out of any serious consideration of division of powers but more out of the desperation of urgent needs. As the city shed its traditional limits and easy transportation led to the rapid spread of urbanisation, the prime needs of urban existence—streets, water, sewers, schools, fire protection and so on came to be felt more strongly. The fulfilment of these specific needs for a given area and given clientele was important. Coupled with a latent desire of the suburbanite to keep away from the City Hall, the special functional district was born. There was an underlying presumption that certain functions are patently metropolitan in character and are performed best at the metropolitan level. There was also an equally underlying, though unstated, supposition that the functions so identified could be performed independently. The result was not an organised division of powers, responsibilities and resource within the metropolis but a juxtaposition of monocracies—one for water and sewerage, another for schools, a third for renewal, a fourth for ports and terminals and so on: often at variance and in conflict with each other. The concept of a series of functional authorities is only another kind of fragmentation, and there is growing disenchantment with the concept in the absence of a broader, clearer framework for resource mobilisation and allocation on the metropolitan scale. This apart, while functional authorities may have established their efficiency "dollar-wise" and functional systems "*per se*" get operated, the investments have not always been related to the surface. Local units have lost their voice but there has been no satisfactory mechanism to relate to sensitive local needs to the comparatively rigid requirements of metropolitan service systems.

The Indian experience with functional authorities is limited. The Delhi Water

& Sewerage Disposal Undertaking, though functional, is a creation of the Delhi Municipal Corporation. So is the transport and power undertaking under the Greater Bombay Municipal Corporation. The Corporations of Madras and Calcutta continue to deal with these services through different departments. In the Basic Development Plan 1966, for Greater Calcutta (the Calcutta Metropolitan District) a series of functional authorities, one for Water Supply & Sanitation, the second for Traffic & Transportation, third for Parks & Playgrounds, a fourth for Hooghly River Crossings and the fifth for Education, were proposed. The Calcutta Metropolitan Water & Sanitation Authority was also set up in 1966 as the first of the functional bodies to take over and build new water and sanitation facilities in the CMD. Due to stiff opposition from the numerous local bodies and the absence of resources (to the extent of making a difference) the CMWSA has remained defunct *ab initio*. Very recently, the State Government under an Ordinance have vested the management of the CMWSA in the more recently formed Metropolitan Development Authority.

### *Metro Government Models*

A third model for the metropolis is that of a single unified body. In a sense, this is an extension of the 'one city—one corporation' idea where the entire metropolitan area is brought under one municipal or other kind of control. Evolution and other events usually determine whether such a single body is elective or nominative. Canberra, Washington D.C., Ottawa, the prefecture of Paris, etc., are examples of non-elective, nationally governed metropolitan entities. The Corporations in Bombay, Madras, Kanpur, etc., where one elected body exercises control over more or less the entire metropolitan area are instances of the other form. Depending on the efficiency with which such elective bodies perform their functions, the natural tendency is to have their boundaries extended as the metropolis expands.

A single metropolitan government has several obvious advantages to offer. The mobilisation of resources and their application to the different aspects and parts of metropolitan civic life become feasible. The conflicts of 'use and service costs' between the inner and outer cities are reduced. Authority can be identified and, given some wisdom, can also be exercised efficiently. Yet, there is a simple assumption behind a single metropolitan authority: that, it has the needed leadership and the competent machinery. Size is an important factor and beyond a point is in inverse ratio to efficiency. A single tier metro government will have to devise the means whereby the conflicting needs of different parts of metropolis and the different functional requirements are grasped, projected and reconciled. Single tier metro governments, especially those directly elected on the basis of adult franchise, are also strong political entities and their role and strength at the state or the national political levels have to be understood carefully. In the Indian context where the metropolis is usually the primate in its surrounding region and invariably the state capital as well, the juxtaposition of a State and a strong metro government may lead to some interesting consequences. Historically, the metropolis in India has also been the cradle of political education and leadership. The Calcutta Corporation itself, is a classic example of how a civic institution could be deliberately fashioned into a platform for state and national political action. Where adult franchise is the basis for forming state and local governments, a conflict between a state and a metro government cannot be ruled out. Of course, the Indian Constitution assigns fiscal and legislative powers between the Union and the States and municipal institutions are viewed in the arrangement, as only creatures of the State or the Union Governments. It is possible then to shape the form and content of metro governments in a manner as to allow dominance or overriding powers for the State, but it is doubtful

whether such an arrangement could be maintained for long. Autonomy is still the essence of local government and it is politics that largely determines whether this autonomy is eroded or enhanced.

A variation of the unified metro government model is a 2-tier arrangement, with an apex body at the metropolitan level and a series of subsidiary units at local levels. In such an arrangement functions and powers are divided as patently metropolitan and patently local. For instance arterial roads, headworks and trunk mains for water supply, treatment and disposal facilities for city wastes, metropolitan transport, etc., might be regarded as functions of the apex body. Street cleansing, water supply distribution, maintenance of local roads, local parks, etc., are considered local functions. Usually in such an arrangement, taxing powers are retained by the apex body using the local units as collection channels in some cases and the proceeds are distributed between the two in keeping with the allocation of functions. Planning and Development controls are also retained at the metropolitan level and with in that framework local units may function with delegation. There is an option in the 2-tier arrangement to make both levels or the local level only, as elective. If the former, the political implications *vis-a-vis* the State may persist as discussed in the foregoing paragraph. If the latter, it is quite conceivable that the apex body is shaped as a federative body with representatives of the local units as also nominees/representatives of the State Government/State Legislature.

#### *Power Sharing in Metro Governments*

In either case, whether the metro government is of one or two tiers, a clear distinction needs to be made between the deliberative and executive functions. The absence of such a distinction and more often, a bad admixture of them, has been the malaise of municipal institutions in the country. The multiple complexities of the metropolis undoubtedly

call for a strong executive but this is not to be viewed as a non-political executive. A major reason for the uneven functioning of the city governments in the larger cities of the country could well be the artificial 'triumvirate' a populist elected council on the one hand, an ornamental mayor and a set of Committees on the other and a non-political executive (usually the State appointed municipal Commissioner as a sort of watchdog) on the third. At least in the major metropolitan situations, there is a case for a power structure similar to the State itself. The elected Council could be the deliberative legislative body akin to State Assemblies and a Mayor-in-Cabinet could be set up on the same lines as Council of Ministers. It is necessary that the Council and the Cabinet have the same duration. In such an arrangement a political executive will have to assume clear responsibilities and the non-political executive of Commissioner and deputies would act under the orders of the political executive.

#### *Is the Scene Ready for Metro Reform ?*

Whatever the model for governing the metropolis, there is a strong assertion that a metropolis by definition has to take a metropolitan view of things. This assertion gains acceptance to the extent the functional and spatial unities in the metropolis are understood. More important and perhaps even rarer, is the understanding that in the metropolis many of the problems such as transport and utilities are interlinked and admit of metropolitanwide solutions only. As a corollary of Parkinson's Law it may be stated 'understanding is in inverse ratio to the size of the problem'. The larger the issue, the more the fear and the greater the reluctance to come to terms with it. Besides, size also alters the quality of the problem and the nature of the solutions. Faith in what is small and simple is touching and universal. Especially in India, where 'local sanitation has been the limited and principal spur to the evolution

of municipal government, people tend to regard small scale municipalities which can keep a 'direct eye on the dirt in the street' as viable and useful. Slightly more sophisticated is the persisting undertone in politics — 'power dispersed is power controlled'. So long as these prejudices persist, the scene is not ready for any major reform towards metro government.

### *The Calcutta Experience*

The exercises in the Basic Development Plan and thereafter towards an institutional framework in the Calcutta Metropolitan District would illustrate the case. When the BDP was drawn up in 1966, the concept of a metro government was unthinkable. In most of the municipalities, the leadership was different from that of the State. The BDP came up with a compromise of sorts. There would be a series of metropolitan wide functional authorities — for Water & Sanitation, Traffic & Transportation, Parks & Playgrounds for Schools and one for bridges across the river as well. The two improvement trusts for Calcutta and Howrah would be expanded and enlarged as East Bank and West Bank Development Authorities to deal mainly with Area Development and Urban Renewal. The 35 odd municipalities, the 2 Corporations and the numerous non-municipal units would all be grouped or regrouped into six or seven Corporations responsible for local functions, local taxation and local maintenance. Above all these, would be a Metropolitan Planning Authority for metropolitan wide planning, plan enforcement, development programming and capital budgeting. The distribution of resources and powers between these different bodies were not spelt out clearly in the BDP. Possibly, it was expected the proposals would stimulate some fruitful debate and consensus. Promise of WHO assistance led to the creation of a Metropolitan Water & Sanitation Authority soon after. The Authority was to take over existing installations, set up

new ones and assume responsibility for the entire function, from generation and disposal facilities to individual house connections. The Authority was also given independent powers to levy consumer charges. From the bits and fragments of the existing municipal scene to a single unified functional authority was, perhaps, too big a jump. Perhaps things might have worked out differently if the first of the functional bodies had assumed the role for funding and building head-works only. Anyway opposition from the local bodies to the CMWSA was swift and also clever. The draft of the bill setting up the Authority with a compact and decisive 3-Member Board of Directors and a 30-Member Advisory Council vastly changed its shape and ended as an Act providing a powerful 55 Member General Council with strong municipal representatives and a 5 Member not so powerful Board of Directors. Between 1966 and 1970, in the absence of funds, the relevance of institutional reforms was lost and attempts to set up further functional authorities were given up.

The setting up of the CMDA late in 1970 as a compact statutory body with metropolitan jurisdiction and wide powers for planning, funding and organising a multi-sectoral development programme was a major change in the scene. CMDA's creation marked a departure from BDP recommendations and came close to an unified command for metropolitan planning and development. Presumably it was easier to take this bold institutional step since the State was under the President's Rule. There was also the presumption that if the metropolitan authority proved its worth within a short time it could successfully trigger off other institutional changes covering the local authority framework as well. Early in 1972 the proposal to set up a 2-tier metro council was initiated and much discussion in the official levels of the CMPO, CMDA, the Calcutta Corporation and the State Planning Board ensued. The idea was to group the entire Metropolitan District



into 30-35 Boroughs, have a directly elected borough council for each, and set up a metro council consisting of all the borough councils' Chairmen plus nominees of the State Legislature. The duration of both the metro and the borough councils was to be five years with a Mayor-in-Cabinet functioning as the political executive at the apex level. The metro council was to be responsible for metropolitan level functions and the borough council for local level functions. Assessment of taxes and allocation of resources between the metro and borough councils was to be done by the State Government. The metro council was to be responsible for planning and development at the metropolitan level as well. After an year of uneven debate the proposal somehow came to be dubbed as a move for a political counter point to the State and quietly dropped. From mid-1973 another set-up of moves began, mainly to consolidate the responsibilities for planning and development. At the time of writing these moves have been largely completed and the CMDA itself has now assumed the responsibilities for metropolitan wide planning and development programming. Responsibilities for execution of projects assigned earlier to Engineering Directorates of the State Government have been resumed by the CMDA itself and the management of the statutory bodies like the Howrah Improvement Trust and the Metropolitan Water and Sanitation Authority has also been vested in the CMDA. The administrative control of the CMDA, the Hooghly River Bridge Commissioners as also the Calcutta Improvement Trust has been brought into the one Department as well. As yet, the role of the Metropolitan Planning Organisation *vis-a-vis* the CMDA continues to be somewhat uncertain. But this uncertainty is likely to be ended soon with the planning organisation assuming, perhaps, responsibility for Town and Country Planning functions elsewhere in the State under possibly a different label. The result of these efforts has been an unified command for planning and development at the metropolitan

level, but the picture still leaves out the local authority framework. Some exercises are in progress to identify new resources and optimise yields from the investments currently being made towards their future maintenance. But the issues are unlikely to be resolved satisfactorily without corresponding institutional changes in the local authority set-up of the Metropolitan District.

### *The Prospects for Metro Reform*

The Calcutta experience might be discounted on the ground of its own peculiarities but metro politics is not unique to Calcutta by any means. Elsewhere in the country fragmentation might not be of the same acute order but in the metro cities multiple complexities persist. Nowhere can it be said that municipal institutions themselves have reached the advanced stage of growth permitting self-inquiry and change. By and the prospects for major metropolitan governmental reform do not appear to be very bright. Nevertheless, as mentioned earlier in this paper there is the inevitability of large cities getting larger. Deficiencies in the basic urban services affect almost all cities and more particularly urban-industrial agglomeration like Calcutta, Bombay, Madras, Bangalore, Kanpur, Ahmedabad etc. Despite the massive investment in the decades after Independence there is little evidence to show that the quality of urban life has changed significantly for the better. On the contrary the spread of income has continued to be uneven and the proportion of the urban poor within the metropolis is increasing. As the need for augmenting the basic urban services increases the ability of large segments of the people to even pay for the operation and maintenance of these services, much less to amortize them is not rising in proportion. By and large the fiscal base of the local bodies in India is the tax on property. Though metropolitan cities are, in fact, engines of production generating and sharing wealth for the country as a whole, the institutions charged with the running of these cities do not

have access to taxes more directly related to the production systems. It is unlikely that the existing methods of taxation and revenue sharing between the Union, the States and the Local Bodies would alter substantially in the near future. Willy-nilly, the dependence of the municipal institutions on the State will only increase.

Increasing urbanisation would also bring in its wake increased competition for the use of urban space. Howsoever advanced the technique for spatial planning might be, it is the institutionalities which determine optimum and effective land use. The pressures of industry, of migration, of squatter settlements, of a rapidly expanding though poorly paid tertiary sector, of transportation etc. are only mounting and area matter of daily concern to the municipal institutions in the metropolis. The administrative and legal instruments these institutions possess are clearly outdated and more often the municipality in the metropolis throws up its hands and expects the State or someone else to sort out the mess. It cannot be disputed that the degree of success Delhi has had in planned development is largely due to the backing the Delhi Development Authority received from the Union Territory's administration as well as the Union Government. The conflicts inherent or apparent in the Backbay Reclamation versus the Twin City in Bombay where the Centre is close to becoming a referee is also an instance to the point. As deficiencies in the services increase, as obsolescence catches up, as urbanisation spreads, and as municipal institutions continue to heave and sigh in their time worn steps the pressure of the scene might well dictate that the responsibilities for planning and development at least should be identified and located in non-municipal institutions as has happened in Calcutta or in Delhi.

#### *The Organisational Type Needed*

In the Indian context any debate about assigning the planning and develop-

ment functions to separate organisations is largely irrelevant. As mentioned in the foregoing paragraphs deficiencies of every kind will continue to dominate the metropolitan scene in the country. The Planning perforce will have to deal mainly with these deficiencies at least for the next two decades and such planning, if to fulfil even the modest goal of survival, has to be carried down to the level of action plans and programmes. The feedback and corrections to the planning process and content has to be constant. We have neither the resources nor the time to indulge in esoteric or detached planning at this stage.

The organisation charged with planning and development though non-municipal in character will have to accommodate the municipal interests. It will also need to have some arrangements to involve the various utility concerns and more importantly those concerned with traffic and transportation including suburban and mass transit systems. The planning will also have to cover policies for operation and maintenance. At least for a limited period there seems no escape for non-municipal metro level organisations to assume responsibilities for operating the metro systems as well. What is being suggested is not a substitution or obliteration of municipal entities but the setting up of a broad based non-municipal metro level organisation which would serve as a platform to pool municipal, State and Central resources. It would also be the focal point for metropolitan level actions and hopefully enlarge in the process the audience for a 'metropolitan view' of things. In the best of societies institutional change is but incremental. A realistic reform programme must temper the practicable in an administrative sense with the practicable in the political sense. The present institutional mess on the urban scene in the country is the outcome of a long and hoary past. Consensus towards a change for the better must be worked for and

slowly won. The proposals for separate Metropolitan Planning and Development Authorities should, therefore, be viewed as interim and as allowing maximum options open. Depending on the exigencies

of the situation at each place the size, shape and composition of such bodies have to be worked out. It would be futile either for the State or the Centre to look for an uniform formula in this regard.



## A Possible Model for Metropolitan Delhi

PRIOR to 1958, the Union Territory of Delhi with an area of about 500 sq. miles had nine municipalities including old and New Delhi Municipal Committees functioning under the Punjab Municipal Act 1911. Another local authority was the Cantonment Board. The rural area was under the District Board with its Panchayat Raj structure. The U.P. Town Improvement Act 1919 was extended to Delhi in 1938 and an Improvement Trust had been functioning much in the same way as their counterparts in Lucknow, Kanpur and Allahabad with the difference that the Delhi Trust had no engineering set up of its own and its works were executed by the CPWD. A Joint Water & Sewage Board had been functioning since 1926, supplying water in bulk and providing trunk sewerage services to the municipal authorities on cost basis. This Board as well as the Delhi Transport and Electric Supply Undertakings functioned as parts of the Delhi Administration, which had ceased to have a State Legislative assembly, following the recommendations of the States Reorganisation Commission and the abolition of Part C States.

### *Delhi Municipal Corporation and D.D.A.*

The Delhi Municipal Corporation Act 1957 was designed with the double objective of meeting local aspirations for an elected set-up for the whole of Delhi and providing a co-ordinated urban administration. The entire Union Territory was therefore placed under the Municipal Corporation and all the local bodies urban and rural were merged with it with the exception of the New Delhi Municipal Committee and the Cantonment Board

each covering an area of about 16 sq. miles only. The Water and Sewage Board as well as the Transport and Electric Supply Undertakings were to be looked after by statutory committees under the Municipal Corporation.

A Master Plan for Greater Delhi had already been prepared by a special Town Planning Organisation set up for the purpose by the Ministry of Health and was put into force under the Delhi Development Act 1957. This Act set up the Delhi Development Authority which replaced the Improvement Trust. The Authority was made a high powered body under the chairmanship of the Chief Commissioner of Delhi (now the Lt. Governor) and it was invested with powers of overall planning as the custodian of the Master Plan. The area of operation, however, was limited to what may be declared to be the Development Areas and for the rest it was the Municipal Corporation and other local authorities that had the responsibility to implement the Master Plan and control and regulate any development. The Corporation inherited the problem of a large number of unauthorised underdeveloped or undeveloped colonies. Unlike other Improvement Trusts, the area of operation of the D.D.A. is very much smaller and lies within the municipal jurisdiction of the Corporation; but like all other Trusts, it had to look to the Corporation for the Trunk services of Water Supply, Sewage and Electricity to connect the neighbourhoods developed by it. Under the circumstances, it has been difficult to achieve the necessary coordination in the regulation of urban development and implementation of the Master Plan.

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### *The Metropolitan Council*

The Municipal Corporation of Delhi failed to meet the democratic aspirations. Instead of devising a new metropolitan structure based on the principle of responsibility of an elected executive to a representative Council, the Act of 1958 provided for an archaic municipal Corporation model with a chief executive appointed by the Government leaving to constant confrontation and conflict between the Executive and the Deliberative Wings. The image of the Municipal Commissioner was that of a citadel of bureaucratic power while the Corporation Council, the Standing Committee and the Mayor appeared to have no executive powers. The disillusionment with the Corporation led to a demand by all political parties for a new democratic set up for Delhi. This led to the introduction by the Home Minister of a set of bills in the Parliament in 1966 including those providing for :

- (1) a Metropolitan Council for Delhi,
- (2) a mini-cabinet consisting of a Mayor and two Deputy Mayors—the Mayor-in-Council; and
- (3) separate statutory authorities for Delhi Transport, Electricity and Water Supply & Sewerage placing these undertakings outside the frame of the Municipal Corporation.

It is a quirk of history that the first measure, the Delhi Administration Act, 1966, was duly passed well in time for the forthcoming General Elections of 1967, but the other bills lapsed with the dissolution of the Third Lok Sabha, without holding the lame-duck session. The course of events would have been different if it were the Mayor-in-Council bill that got through the Parliament instead.

The Metropolitan Council itself cannot be considered a success. Its powers practically extends to the same area of functions as belong to the Municipal Corporation, the latter actually claiming a larger

field, although occupying a lower position in the politico-administrative hierarchy. With two different parties in control in the two councils the area of conflict has widened.

The Metropolitan Council under the Delhi Administration Act, 1966, does not enjoy the status and the powers of the legislature of a Union Territory such as Goa, Daman & Diu and other similar bodies set up under the Government of Union Territories Act, 1963. Nor is the Executive Council a Cabinet since it does not have collective responsibility to the Metropolitan Council. The four executive councillors are appointed by the President and one of them designated as the Chief Executive Councillor. On the other hand under Section 45 of the Government of Union Territories Act, 1963, the Chief Minister is appointed by the President and other Ministers, on the advice of the Chief Minister. Sub-section (2) of Section 27 of the Delhi Administration Act, 1966, specifically lays down that "the Administrator shall preside at every meeting of the Executive Council" unless obliged to absent himself due to illness or any other cause." The discretionary powers of the Administrator (Lt. Governor) in Delhi are far wider and include the New Delhi Municipal Committee.

### *Some Complicating Factors*

There is general consensus about the unsatisfactory nature of the existing arrangements for the Government of the Union Territory of Delhi. But any agreed pattern has been difficult to find. This has been partly due to the political situation in the Delhi Area. The return of a Jan Sangh majority to the first Metropolitan Council and in the Municipal Corporation of Delhi had added a new dimension to the problems of the administration of this Union Territory. In 1972, while the Metropolitan Council was captured by the Congress, the Jan Sangh was back in the Municipal Corporation, a situation hardly conducive to the merger

of the two bodies into a unified Metropolitan body that had been recommended by the Administrative Reforms Commission (ARC).

Apart from the historical factors and the political overtones, there are a number of administrative issues that complicate the situation. The ARC underlined the Union Government's special concern in matters of development of services and maintenance of law and order in an area which, apart from the national capital is also one of the world's centres of international activity, with heavy concentration of diplomatic Missions. There was also the enclave of the New Delhi Municipal Committee with over 80 per cent properties belonging to the Central Government. The national Capital Region, itself extended to areas beyond the Union Territory raising special problems of relationship with the neighbouring states. Some would even refer to Washington D.C., which could not so far be given a City Hall.

The abolition of the Delhi State and its Assembly in 1956 set a centralising trend and brought the Union Ministries directly into the administrative field. This was a natural consequence of the bureaucratisation of the Delhi Administration, and a democratically weak and subservient municipal corporation with a senior civil servant at its head. Council decisions tended to be transferred to the higher echelons in the Central Ministries, and it was not unusual for the Chief Secretary of the Delhi Administration and the Municipal Commissioner being required for consultation or attending meetings in a couple of Ministries almost everyday of the week. One Chief Secretary even found himself in the un-enviable position of being called upon to be present at meetings in two ministries at the same time on some identical subject. This increasing involvement of the Government of India, inspite of an impressive list of delegation of powers to the Administrator makes the creation of a democratically

based responsible local government a rather difficult and involved process.

### *Towards a New Metropolitan Set-up*

Ideally speaking, there is a strong case for a two-tier system of a metropolitan assembly and a cabinet dealing with police matters and area wide development activities and a number of second level local municipal council dealing with personal services and problems of day-to-day maintenance. There is the example of the Metropolitan Government of London with its Greater London Council and 32 boroughs as also the somewhat centralised system of Metropolitan Tokyo and 23 city-wards apart from other second level authorities. A seminar on Urban Planning and Development Authorities organised by the Centre for Municipal Administration at the Indian Institute of Public Administration, on March 1 and 2, 1974, favoured broadly a two-tier structure for metropolitan areas with local adjustments but there was general difference in entrusting elected council with the more technical and complex development tasks, till such time as the functioning of municipal authorities inspired confidence. It is in this context that the following proposals are put forward as matter of immediate practical approach.

There are three broad areas of administration that can be identified requiring distinct structural organisation:

- (a) The law and order function ;
- (b) Planning and developmental activities and major public undertaking such as Electricity, Transport and Water Supply and Sewerage, etc., involving high level technical competence and heavy capital projects; and
- (c) Social services and other tasks presently performed by the General Wing of the Municipal Corporation and Delhi Administration departments coming within

the purview of the Executive Councillors and the Metropolitan Council.

As regards law and order, the question of introduction of the Commissariat of Police on the lines of some metropolitan centres has been debated for some time. A system of police administration has been evolving slowly without a decisive step being taken. It is time that a decision be taken and the Deputy Commissioner's set-up converts itself into a law and order secretariat of the Lt. Governor.

Regarding the planning and developmental tasks, it could be possible to have an overall single authority dealing with all matters including water-supply and transport and possibly electricity. But there is a view that these specialised tasks had best be performed by specialised agencies to avoid congestion of decision making at a single point. Nevertheless, the problem of coordinating their activities will have to be faced. There shall therefore be four separate authorities or Boards with high level executive functionaries as full time chairmen assisted by a small team of technical and financial officers. These organisations will function under the broad direction and control of a Metropolitan Development Council in matters of policy and finance and-making of rules and bye-laws. The Council will be presided over by the Lt. Governor with the Mayor as the Vice-Chairman. The membership shall consist of 5 representatives of the Metropolitan Council, the four chairmen of the above-mentioned specialised authorities and nominees of the Central Ministries of Finance, Education, Health, Works and Housing and Home Affairs.

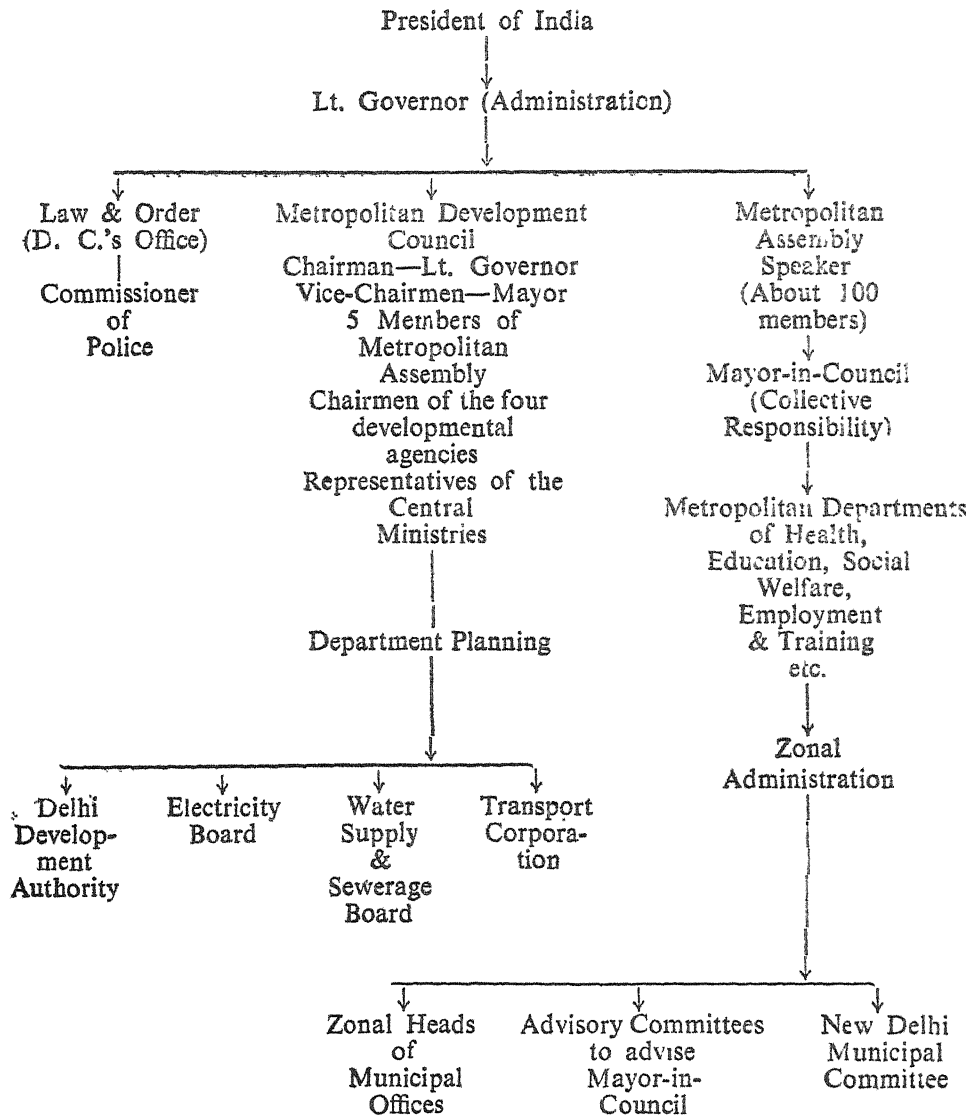
The most important area of change has to be the creation of a Metropolitan Assembly in place of the existing Corporation and the Metropolitan Council with about a 100 members to ensure the present level of representation in the Corporation and merging the respective secretariat department with the Central departments of the Municipal Corporation to be

controlled by a Mayor and 3 or 4 Vice-Mayors responsible to the Metropolitan Assembly. This will also involve the merger of the budgets of the General Wing of the Corporation and the departments at present under the control of the Executive Councillors. In this assigned field the Mayor-in-Council would function in the same manner as the Cabinet in a Union Territory.

The existing Zonal Offices of the Corporation would function as local bodies in the respective areas with such adjustments as may make them more viable so that, apart from one or two rural zones, there may be 7 or 8 city areas. The Zonal officers will be heads of departments under the control of the Mayor-in-Council. There may be an advisory committee of the members of the area to advise the Mayor-in-Council about zonal programme and zonal budgets. The revenue raised from property taxes from the respective areas will be wholly assigned to them. The revenues from Terminal taxes and other taxes will be with the Metropolitan Assembly to be used for maintenance and improvement of area wide services and for allocations to different zones in such measure as may be considered appropriate. The zonal tasks will more or less correspond to the existing work in the zonal offices with emphasis on maintenance. Education, Medical services and other metropolitan institutions would be managed by metropolitan departments under the Mayor-in-Council.

There is still the question of the New Delhi Municipal Committee. It is only proper that it should become a separate zone with some special provisions under the overall control of the Mayor-in-Council, but the special discretionary powers of the Lt. Governor in respect of N.D.M.C., as given in the second proviso to Section 27(1) of the Delhi Administration Act, 1966, could perhaps remain. A diagrammatic presentation of these proposals is given at page 18.

## A POSSIBLE MODEL FOR DELHI





## Madras Metropolitan Development Authority

**WE** see a phenomenal growth in urban concentration all over India.

Whatever the reasons may be, this growth has a tremendous and far-reaching effect on the physical size and shape and structure of the urban centres on which its impact is felt. Urban concentration entails housing, services, community facilities, still more work opportunities, which add momentum to this cycle. Thus the growth of the concentration continues without abatement, straining the existing levels of all these aspects to the utmost and is limited only in degree related to time. The growth gets slowed down only by the physical limitation of distance and space.

The total population of India increased by 24.80 per cent in the decade 1961-71 and that of Tamil Nadu by 22.30 per cent. The urban population grew by 38.21 per cent in India and 38.64 per cent in Tamil Nadu. The population in towns with more than one lakh however increased phenomenally in the decade by 40.02 per cent in the country and 57.85 per cent in the State.

The general increase in the urban population of the country and the State was reflected in Madras City also, whose population of 1.416 million in 1951 increased to 1.720 million in 1961, *i. e.*, as much as 22 per cent. This has further increased to 2.47 million in 1971, increase of 43.6 per cent. This increase accommodated itself almost within the same corporate limits. This naturally led to overcrowding and shortage in housing resulting in high rents and an unprecedented and enormous demand on the

services, for which they were not designed. This growth continues and unless channelised into planned and organised development will result in chaos and ultimately result in economic loss to society.

This realisation was there even as early as 1920 when the Madras Town Planning Act was framed. The framers had enjoined every Municipality in the State, including the Madras City Municipal Corporation, to prepare and submit to the State Government not later than 1934 or within four years of its constitution, a General Town Planning Scheme providing for organised growth within that area and its vicinity. But unfortunately due to several reasons, one of them being lack of finance and another, absence of competent technical personnel, the Corporation could not discharge its obligation in this respect for a long time. However, after considerable work, the Corporation was able to submit such a General Town Planning Scheme at the end of 1957. This was referred by the Government to the Directorate of Town Planning Madras for technical scrutiny. The Directorate, after careful examination of the Scheme submitted by the Madras Corporation, was of the opinion that much more detailed and extensive in-depth studies would have to be carried out before the General Town Planning Scheme could be finalised. It was at this stage the Government of India came forward to render assistance in the preparation of a Master Plan for the Madras Metropolitan Area. The Directorate with special staff, commenced work on this project in July, 1963.

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\*Secretary, Madras Metropolitan Development Authority, Madras

Extensive and intensive surveys such as were considered necessary, were conducted and the Report and the draft Interim Plan consisting of the various studies and proposals were brought out in 1967. The problems of the city were viewed and approved in the wider context of the Metropolitan Area. The Plan devoted itself purely to physical aspects of development and recommended that the perspective plan should be separately worked out.

During the latter part of 1969 it was decided to explore avenues for securing financial assistance for the development of the City from institutions both, national and inter-national and it was then found that the plans prepared earlier had to be supplemented in that, the problems of the metropolis had not been viewed, from a long range perspective nor had they indicated the scale of financial effort needed to direct the future development along orderly lines. Hence the Government decided to follow it up with another report which would not only indicate the dimensions of the problems ahead but also the necessary efforts to make Madras a living city. The Madras Metropolitan Plan 1971-1991 was the result and it was brought out in 1970 by the Government of Tamil Nadu, in the Rural Development and Local Administration Department with the assistance of Directorate of Town Planning. In the meanwhile the Government had also enacted the Tamil Nadu Town and Country Planning Act in 1971 which provided the statutory backing for the plan.

### *The Legislation*

The Tamil Nadu Town Planning Act of 1920, which was based on the British Act 1909 has long been out of date. While there have been a number of far reaching revisions and changes in the Act in U.K. to meet changing needs of Town Planning, there have been none of any significance in the Town Planning Act of the State. The Tamil Nadu Act of 1920 is not therefore adequate and effective to meet the

challenging problems of physical planning today, especially in the sphere of undertaking or promoting development, positive and new. The emphasis has been more on development control and that too is elementary in nature.

The powers for zoning on land for industrial and residential purposes provided under the Municipal, Panchayats and Public Health Acts are worked independently of zoning (through Area Development Plans) under the Town Planning Act. This has led to considerable conflict in enforcement. However, taking advantage of this long tradition (since the 30s) of awareness of and compliance with planning discipline — albeit elementary these different provisions for zoning have been brought under one legislation, namely, the Town and Country Planning Act, 1971.

While the Government have taken great interest and put in considerable efforts to have regional and Master Plans prepared, no policy has so far been evolved as to the follow-up action needed, so that the benefits of planned development could accrue to the people. It must be admitted that virtually no Regional Plan or Master Plan has so far received statutory or Administrative recognition, solely because the superseded Act did not provide for adequate and effective follow-up measures.

Secondly, the moneys spent on the preparation and execution of schemes although recoverable from the inhabitants of the Planning Areas, were to be over a very long period and in some cases the returns were indirect such as by way of increase in taxes. The financing of schemes in these circumstances has to be through special methods and techniques. No such special methods or techniques were available under the 1920 Act and implementation of schemes therefore languished.

With a view to overcome the above said lacuna in the planning and development and use of rural and urban land in

the State of Tamil Nadu and for purposes connected therewith the 1971 Town and Country Planning Act was enacted by the Government. The intention of preparing such a comprehensive Act was to provide for the creation of Planning authorities and vest them with sufficient powers for the preparation and implementation of various development plans in all these aspects, required for the proper development of towns and the country side. The salient features of the new Act are explained below :

#### *The Town and Country Planning Act, 1971*

The new legislation provides for, *inter alia*, the creation of the following :

- (i) The State Town & Country Planning Board,
- (ii) The Regional Planning Authority;
- (iii) The Local Planning Authority; and
- (iv) The New Town Development Authority.

The Town & Country Planning Board would be a high powered body functioning as an advisory body to the Government in matters relating to planning, development and use of all land in the State. It would also lay down broad planning policies to be followed by the various authorities.

The Regional Planning Authorities are charged with the work of preparing regional plans and sub-regional plans. They will take their cue from the State Plan for economic development and fiscal management and coordinate the functions of the various Local Planning Authorities so as to carry out or cause to be carried out those works contemplated in the Regional Plan.

The functions of the Local Planning Authority would be to prepare and implement Master Plans and Area Development Plans.

For such of those areas designated as a New Town site in the Regional Plans,

a New Town Development Authority will be formed. Its functions are to plan and develop the New Town and to provide it with all services, amenities, and facilities. The special provisions regarding the New Town Development Authority enable it to borrow or lend and it is thus placed in a better position compared to the Local Regional Planning Authorities.

Another feature of this Act is that the developments undertaken even by the State and Central Government are also subject to the concurrence of the respective Planning Authorities. According to Section 58, whenever any Department of the State Government or Central Government or Local Authority within the Planning Area intends to carry out development of any land or building, the Planning Authority should be informed and its concurrence obtained before proceeding with the development. Any difference of opinion will be referred to the State Government for final decision.

#### *The 1973 Amendment*

The Madras Metropolitan Area comprises of a Corporation, 4 Municipalities, several Town Panchayats, Panchayat Unions and Village Panchayats, with a total extent of about 450 sq. miles, and a population of 3.45 millions in 1971. The proper development of the Madras Metropolitan Area is quite crucial to the total development of the State because it is the seat of the State Government and the Madras Metropolitan Area is the focus of the economic and social life of the entire State. It was felt that with the powers presently vested in a Regional Planning Authority or a Local Planning Authority, either of them will not be able to meet the situation. It is for this reason that the Madras Metropolitan Development Authority has been constituted as a distinct and separate Authority by an amendment to the 1971 Act.

The functions of the Madras Metropolitan Development Authority includes:

- (i) Carrying out a survey of the Madras Metropolitan Planning Area

and preparing reports on the survey so carried out;

- (ii) Preparation of a Master Plan or a Detailed Development Plan or a New Town Development Plan as the case may be;
- (iii) Preparation of an existing land use map and such other maps as may be necessary for the purpose of preparing any development plan;
- (iv) Carrying out such works as are contemplated in any development plan;
- (v) Designation of the whole of the Madras Metropolitan Planning Area or any part thereof within its jurisdiction as a New Town and to perform the following functions, namely;
  - (vi) To prepare a New Town Development Plan for the Area concerned;
  - (vii) To secure the laying out and development of the New Town in accordance with the New Town Development Plan; and
  - (viii) To perform such other functions as may be entrusted to it by the Government.

Lest it should be encumbered with routine and minor details and miss the essentials the Madras Metropolitan Development Authority is empowered to entrust to a local authority these details. According to this, the Madras Metropolitan Development Authority, may authorise any local authority to exercise any of the powers vested in it under this Act and may in like manner withdrawn such authority; and the exercise of any power delegated in this behalf shall be subject to such restrictions and conditions as may be specified in such order. This is significant in that no other Authority under this Act except Madras Metropolitan Development Authority has been given this power of delegation.

Another special feature of the Act is that the Madras Metropolitan Development Authority may be required to prepare and submit to the Government, a Master Plan, a detailed development Plan or a New Town Development Plan in respect of any area even outside the Madras Metropolitan Area. This enables the Government to utilise the expertise available with the Madras Metropolitan Development Authority in areas where it is specially required. Under this provision, the Government have entrusted the Planning and Development of Maraimalai Nagar to the Madras Metropolitan Development Authority. Maraimalai Nagar is a New Town and forms part of the third tier in the physical development strategy recommended in the Madras Metropolitan Plan.

#### *Planning and Development*

The proper implementation of any plan lies in the proper execution of the policies, programmes and projects for development recommended in the Plan. In the implementation process we have in this country a spectrum varying from a single agency planning and executing the entire gamut of development to a plethora of autonomous agencies, planning and executing their own programmes without any coordination whatsoever.

The idea of a single agency for both planning and development might involve concentration of all functions — policy making as well as matters of detail which would entail the authority getting bogged down in a multitude of routine matters with little time left for important policy matters. This may further burden the Planning Authority with making engineering plans for projects and day-to-day administration of urban services. On the other hand, a complete isolation of planning from development, as it was obtaining till very recently in Tamil Nadu, with the Directorate of Town Planning as the planning agency and a number of development agencies, might result in the

inadequate implementation of the planning proposals and an ineffective watch over the plan priorities and implementation.

A set-up which will be devoid of the shortcomings in the former and an improvement to the latter, that is to say, one which strikes the middle path has to be thought of. Madras is fortunate, in that, a number of developmental agencies both Government and quasi Government are already functioning in different fields and with a long service in their respective fields have gained considerable expertise. The idea insofar as Madras Metropolitan Area is concerned has therefore been to establish a statutory planning and development organisation, namely, the Madras Metropolitan Development Authority. This Authority, in-charge of metropolitan planning and development has chosen to entrust the development works to the agencies already operating in the Area, with of course, the frame, priorities and standards fixed in the Plan. The Tamil Nadu Housing Board and Tamil Nadu Slum Clearance Board are some of the agencies already in the field. By this, the Authority is not encumbered with a multitude of routine matters like tendering, etc., but at the same time has effective control in the plan implementation including planning control.

For effective coordination among various development agencies, it has been agreed in principle that the annual programmes of the agencies engaged in developments within Madras Metropolitan Area will be got cleared by the Authority before the Government sanctions them. This will ensure dovetailing the various developments contemplated in the Metropolitan Plan. Insofar as the Projects funded by the Authority are concerned, the final decision will rest with the Authority.

The Madras Metropolitan Development Authority has the Minister-in-charge of Town Planning as the Chairman. It is a high powered body in which the

concerned departments of the Government are represented by their Secretaries themselves and includes the Director of Town Planning. An Advisory Council has also been constituted to help the Authority in deciding on technical matters.

The existence of a large number of autonomous local Government jurisdictions in urban area— a condition referred to as political fragmentation—adds to the difficulties in finding adequate solutions to urban problems. An extreme case of reorganisation would be the replacement of all local jurisdictions that are economically intertwined with the Central City by one governmental unit called the Metropolitan Government. This is advocated by many on the ground that it would eliminate the problem of cost benefit spill-overs between jurisdictions. But a Metropolitan Government, while eliminating a great many spill-over problems, does not necessarily eliminate all of them and may involve inefficient resource allocation to the extent that the spatial dimensions of the costs and benefits of an activity do not coincide with dimensions of political boundaries of the Metropolitan Government's jurisdiction.

The Madras Metropolitan Plan, after analysing the pros and cons of various agencies, thought it fit to continue the existing system whereby the smaller local authorities are retained and would rather help in performing local functions such as public health and conservancy maintenance of small parks, markets, streets that are admirably suited to them; but concentrate all powers and responsibilities in respect of planning and development in an apex body which has the necessary statutory backing to enforce the plan and perhaps fund it also. The funds will necessarily have to come from financial institutions like HUDCO, LIC, etc., and Central and State Governments.

The Central and State Governments therefore have got an important role to play in the successful implementation of

the plan. The State Government may help :

- (i) In standing guarantee for loans floated by the Planning and Development Authorities;
- (ii) By giving subventions to the Authorities;
- (iii) In framing policies to synchronise with the plan ideas, like tax-concessions, incentives, etc.;
- (iv) In rendering specialised expert assistance when needed; and
- (v) To authorise the levy of new taxes.

The Central Government may step in :

- (i) To assist in procuring international organisations' participation in the costlier plan implementation;

(ii) In procuring foreign exchange where the necessity arises;

(iii) To render specialised technical expert assistance when sought for; and

(iv) To intervene in inter-state problems.

The Madras Metropolitan Development Authority commenced functioning only in June, 1973. It is just now engaged in formulating policies and procedures for coordination of the various developmental activities in the Madras Metropolitan Area as a pre-requisite for the implementation of the Madras Metropolitan Plan. It is concentrating in the first instance on planning and development only. Matters relating to resource mobilisation, capital budgeting, control through budgetary sanction, are in the process of evolution and discussion at the Government level.

## Urban Planning *vis-a-vis* National Planning

UTTAR Pradesh had a population of 12.36 million living in urban areas in 1971 which was the third highest in India; the first highest being that of Maharashtra having 15.70 million while the second highest was that of Tamil Nadu having 12.44 million people.

In spite of this, state cannot be termed as highly urbanised as the above population was only 14 per cent of the total population while Maharashtra and Tamil Nadu had 31.20 and 30.8 per cent of their population living in urban areas. Table 1 gives a comparative picture of the degree of urbanisation in different states.

It shows that the degree of urbanisation, as measured through the percentage of urban population to total population and percentage decennial growth of urban population, has been comparatively low in Uttar Pradesh. This is one of the indicators of backwardness of the state. Incidentally the income per capita of the states which have larger urban population and a larger per cent of urban to total population is comparatively high.

In spite of the fact that the tempo of urbanisation has been comparatively low, there has been a steady increase in the urban population as such and the urban component of the total population. This indicates the future trend that urbanisation is going to increase in Uttar Pradesh.

Table 2 gives the urban characteristics of the state.

There is yet another aspect of urbanisation which gives to it a massive character and results in extreme polarisation. This is indicated by the increasing number of bigger towns and the larger proportion of population living in them. Table 3 highlights this characteristic of urbanisation in Uttar Pradesh for the last three decades.

This is the last characteristic of urbanisation in the wake of which acute physical, social and economic problems have been created throughout the world. The main reason for this type of urbanisation is the large-scale migration of people from rural to urban areas. The population increase in urban areas is constituted by about 2/3rd from migration and 1/3rd from the natural growth. The resultant effect is that the bigger cities or the metropolitan centres are turning into sprawling giants without a corresponding economic base. The consequences of a rapid and unplanned growth are manifest in different ways. On the physical plane the impact can be seen in the form of overcrowding, unplanned urban sprawl, growth of slums, lowering of civic standards, costly social overheads ribbon development, sub-urban spread, mixed and irrational patterns of land uses, exorbitant land values; serious traffic congestions, un-economical and inefficient mass transit system. On the social plane it creates a sort of dualist society in which there is a continuous conflict between the traditional and modern value system while on the economic plane the rural poverty has been extended to urban areas as there is a vast manpower without corresponding means of employment.

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TABLE 1

## URBAN CHARACTERISTICS OF MAJOR STATES IN INDIA

<i>Sl. No.</i>	<i>State</i>	<i>Urban Population</i> 1971	<i>Percentage of urban to total population</i> 1971	<i>Percentage decennial growth</i> 1961-71
(1)	(2)	(3)	(4)	(5)
1.	Andhra Pradesh	83,95,805	19.35	33.61
2.	Assam	12,54,979	8.39	51.47
3.	Bihar	56,53,789	10.04	44.45
4.	Gujarat	75,07,092	28.13	41.20
5.	Kerala	34,65,414	16.28	35.68
6.	Madhya Pradesh	67,70,323	16.26	46.31
7.	Madras (Tamil Nadu)	1,24,46,860	30.28	33.44
8.	Maharashtra	1,57,03,403	31.20	40.68
9.	Mysore	71,14,707	24.31	35.09
10.	Orissa	18,14,491	8.27	63.52
11.	Punjab	32,07,145	23.80	24.92
12.	Rajasthan	45,29,325	17.61	38.03
13.	West Bengal	1,09,28,399	24.59	30.47
14.	Uttar Pradesh	1,23,68,487	14.00	27.95

SOURCE : Census of India 1971.

TABLE 2

## URBAN CHARACTERISTICS OF UTTAR PRADESH

<i>Year</i>	<i>Urban Population</i>	<i>Percentage of urban to total Population</i>	<i>Decennial Percentage variation of urban population</i>
(1)	(2)	(3)	(4)
1931	5,588	11.2	12.81
1941	7,016	12.04	26.00
1951	8,625	13.6 (Recast 11.7)	22.93
1961	9,479	12.85	26.80
1971	12,368	14.00	27.95

SOURCE : Census of India 1971



TABLE 3

## DISTRIBUTION OF TOWNS (CLASS I, II &amp; III) AND THEIR POPULATION COMPONENT

Year	Class I Towns		Class II Towns		Class III Towns	
	Number	Population component as per cent of total urban population	Number	Population component as per cent of urban population	Number	Population component as per cent of urban population
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1951	16	45.21	12	9.03	42	14.40
1961	17	54.43	16	11.76	52	16.65
1971	22	57.07	20	10.77	67	16.74

SOURCE : Census in India 1971

The need for planned urban development was realised by the British long before. In the form of Improvement Trusts the first ideas of urban planning came to be materialised. In succession to the Improvement Trusts in Bombay in 1898 and Calcutta in the year 1911, the United Provinces Town Improvement Act came into force in 1919, which became responsible for the establishment of Improvement Trusts for the three biggest towns of the State, namely, Lucknow, Kanpur and Allahabad. Before this, town planning was considered as a part of the municipal functions, and town improvement problems could be handled by the municipal administration within the resources at their disposal. Town improvement then mainly comprised better sanitary facilities, drinking water supply and health measures. Where a town was growing, it also included construction of few new roads, but the question of augmenting existing services and amenities rarely arose.

With the increasing magnitude of these problems, it became difficult for the municipal bodies to handle them effectively. The need for creating a special agency

was felt and the Improvement Trusts came into existence which were entrusted with town improvement and expansion schemes and provision of services, amenities, etc. The Improvement Trusts were also given powers to raise financial resources for their programmes through means which were not normally available to municipal administration.

The Improvement Trusts were successful in execution of many town improvement and expansion schemes and solving some of the immediate problems facing the city. Their attention was focussed on development of new areas which would earn them good returns but this money was not spent on other schemes required for deficient areas. The planning of the town in a comprehensive manner and a future perspective was beyond their scope. Simultaneously, therefore, there was a thinking that separate town planning Acts were necessary. Drawing inspiration from the town planning legislation in United Kingdom, Bombay and Madras had enacted the Town Planning Acts in years 1915 and 1920 respectively. These Acts were mainly regulatory in nature which later developed into legislations

embodying comprehensive town planning. ~ Pradesh soon after Independence. This

was also in pursuance of the national policy formulated on the basis of the report of the Bhoré Committee in 1945 which recommended creation of such organisations at the national and state levels.

In Uttar Pradesh, however, no necessity of bringing out such a legislation was felt. But owing to growing need of planned development in the major towns, the municipal corporations were directly made responsible for planning and development in five KAVAL towns (Kanpur, Allahabad, Varanasi, Agra and Lucknow) through the Nagar Mahapalika Adhiniyam 1959. The other towns were to be covered by the Improvement Trusts. At the same time the State Government also enacted the Regulation of Building Operations Act with a view to controlling and regulating the future development of growing towns in the state in accordance with a pre-conceived plan called Master Plan. Later, there came another act called the U.P. Housing and Development Board Act—to undertake housing and urban development activities in a co-ordinated manner throughout the state. Under this Act, a statutory authority known as the Housing and Development Board has been created at the state level in which the functions of the erstwhile improvement trusts have been merged leaving only the Ghaziabad Improvement Trust to look after the special development problems of the town.

#### *Creation of Town Planning Organisation*

With the development of ideas of urban planning, the concept of Master Plan originated. A Master Plan is a comprehensive physical plan prepared in a long-term perspective for guiding and directing the present and perspective development of the city after taking into consideration the specific problems and needs of development of a city. The preparation of master plan is a specialised job for which trained and qualified town planners are required. The growing awareness of planned development of urban and rural areas and the realisation of the problems of haphazard growth and overcrowding in cities was responsible for the creation of the town and country planning organisation at the state level in Uttar

Pradesh soon after Independence. This was also in pursuance of the national policy formulated on the basis of the report of the Bhoré Committee in 1945 which recommended creation of such organisations at the national and state levels.

The town and country planning organisation came into existence as a full-fledged department in 1950 in Uttar Pradesh. This department was entrusted with the work of preparation of layouts, street planning, designing of public and semi-public buildings and sometimes beautification of the town. Later on the department was entrusted with the important function of formulation of master plans for new townships and growing towns of the state. In the first phase, master plans for Kanpur, Agra, Varanasi, Allahabad and Lucknow were prepared. Master plans for new townships like Rudrapur, Hastinapur, Govindpuri and Naini were also prepared besides the plans for a number of major towns like Ghaziabad, Rampur, Almora, Saharanpur, Hardwar, etc.

#### *Impact of Five Year Plans on Urban Planning*

Though the First Five Year Plan gave importance to urban planning by emphasising the need to link up town and country planning with the housing problem, the Second Five Year Plan laid down specific priorities and programmes of urban planning in a broader framework of regional development. It laid down the following directions which are relevant to the state :

- (1) Each state should have a phased programme for the survey and preparation of master plans for all important towns. These should provide for integration of land use and zoning principles with a view to obtaining the maximum amount of efficiency and economy in working and living conditions.

- (2) A number of new towns had recently come into existence and others were likely to develop during the second or subsequent five year plans as industrialisation proceeded. The preparation of regional plans for such towns should be taken in hand.
- (3) Town and Country planning legislation should be enacted in all the states and necessary machinery for its implementation should be set up.
- (4) Taking note of a number of programmes in the Second Five Year Plan which have considerable bearing on urban development and redevelopment, the plan recommended that these programmes should be implemented in an integrated manner with careful attention to their impact on urban and regional development with reference to their present and future requirement of planning in different parts of each state or region.

During the Third Plan it was realised that urban and regional planning is an integral part of economic development and thus special emphasis was laid on evolving a comprehensive land policy in urban areas, planned development of metropolitan cities, state capitals, port towns, industrial centres, etc. Besides these programmes, preparation of regional plans was suggested for resource regions and underdeveloped regions. The Government of India gave cent per cent assistance to the states for taking up the programmes of urban and regional planning.

The Fourth Five Year Plan further emphasised the need of interlinking the process of urban planning with national planning through the formulation of district plans. It impressed upon the state governments to integrate the planning of urban and rural areas to achieve the maximum benefits from planning. The district

as a regional unit was accepted for planning in the broader context of reducing regional imbalances.

### *Achievements in Urban & Regional Planning*

A systematic programme of preparation of master plans and regional plans of important towns and regions was taken up in the year 1962 under the centrally sponsored regional planning scheme. For uniformity in the contents of master plans and regional plans, guidelines were issued by the Town and Country Planning Organisation, Government of India, which suggested a definite staffing pattern and optimum period for the preparation of master plans of different towns classified into different categories on the basis of projected population and area. These guidelines also specified the different stages and the contents of the master plans and regional plans. The following master plans and regional plans have been completed or are likely to be completed during the IV Five Year Plan.

It would appear from Table 4 that the State Government have covered the major towns under the programme of formulation of master plans and the typical regions like Meerut-Bulandshahr as a part of National Capital Region where urbanisation is the major force of regional development, Hardwar and Rihand regions where mineral resources and power resource respectively may guide the future regional development, Gorakhpur, Deoria, Banda-Hamirpur and Raebareli - Sultanpur - Pratapgarh regions which are underdeveloped regions and where new forces of development are required to be injected.

### *Implementation of Master Plans and Regional Plans*

Planning is a continuous process and formulation of programmes, their implementation, evaluation and revision are the essential channels into which this function has to be phased. The implementation and enforcement of a plan are

TABLE 4

<i>Sl. No.</i>	<i>Name of the Project</i>	<i>Estimated Population 1991</i>
1.	Kanpur Master Plan	2,267,233
2.	Lucknow Master Plan	1,360,298
3.	Allahabad Master Plan	891,692
4.	Varanasi Master Plan	1,026,274
5.	Hardwar Regional Plan	1,833,000
6.	Gorakhpur-Deoria Regional Plan	839,000
7.	Rihand Regional Plan	630,000
8.	Meerut-Bulandshahr Regional Plan	1,919,550
9.	Bareilly Master Plan	495,522
10.	Moradabad Master Plan	325,928
11.	Agra Master Plan	1,028,555
12.	Mathura Master Plan	249,307
13.	Gorakhpur Master Plan	384,893
14.	Banda-Hamirpur Regional Plan	4,370,450 (Total Population)
15.	Jaunpur Master Plan	105,000
16.	Rae-Bareilly Sultanpur, Pratapgarh Regional Plan	9,500,000 (Total Population)

N.B.—Estimated population of the regional plan includes only the population of potential growth centres.

SOURCE : Perspective Plan for Housing, Urban and Regional Development of Uttar Pradesh (1969-1991).

the logical consequences that have to follow otherwise the whole effort invested in plan formulation becomes infructuous. As the goals set forth in a plan cannot translate themselves into concrete terms, a definite mechanism for implementation has to be provided. The implementation of any plan can be divided into two phases :

- (1) Regulation, Control and Guidance of future development.
- (2) Positive development envisaged in the plan.

Regulation and control is a statutory practice according to which future development is adjusted in conformity of the

provisions of a plan. Such type of statutory backing is available in case of a master plan. The regulation and control aspect of a regional plan is fulfilled by providing incentives and restrictions on use of land in a region. But the aspect of positive development is common and important to both the master plans and regional plans.

As the master plans are prepared in accordance with the provisions of a certain legislation, they are automatically implemented so far as their regulatory aspect is concerned. But the positive development envisaged in a master plan cannot be executed without provision

of adequate funds and development authority.

The master plans and regional plans prepared by the department have remained unimplemented so far without the provision of sufficient funds. For earmarking of funds for these plans, it is necessary that the regional and master plans should have detailed fiscal programming. These plans should be properly phased into five yearly and yearly physical and financial programmes and targets in proper priority so that these programmes may have a synchronisation with the five year plans of the state. This condition in case of present plans prepared by the town and country planning department has not been fulfilled. These are only physical development plans rendering them difficult to be interlinked with the state plans.

#### *Interlinking of Urban and Regional Plans with National Planning*

With a view to achieving maximisation of benefits from these plans it has been emphasised from time to time that the urban plans should be interlinked with the State five year plans so that they can be organically linked to the process of national planning. This would also help in securing the cherished goal of interlinking of physical planning and economic planning at various levels. The urban development division of the Planning Commission has issued directives to the states for preparing city development plans and five yearly and yearly programmes so that the master plans may be dovetailed with the state plans. The Town and Country Planning Organisation, Government of India, on the directions of the Planning Commission formulated model city development plans for the towns of Agra and Meerut. It was expected that similar plans will be formulated for other cities. As these plans were not being implemented, the state government could not proceed further in this direction. The reorganisation of the plan, so as to make it capable of being interlinked with the

state plan by having fiscal programming as its integral part, has also not been initiated and still the plans are being prepared on the same old pattern. The regional plans also need to be reorganised in order to get them implemented.

As a matter of fact the process of regional planning, which is based on the interlinking of physical and economic planning cannot be organised in isolation. The delineation of regions and formulation of their plans have to be done in close collaboration with the planning department of the state which is the actual implementing authority. This coordination and collaboration in the state government is yet to be achieved.

#### *Shortcomings of the Present Urban Planning Process*

The present system of urban planning in India and more so in the state of Uttar Pradesh has some major shortcomings, the removal of which is important for making this process a creative counterpart of the whole planning system.

The prevailing planning practice is based on western techniques with cumbersome processes involving formidable amount of data collection, sophisticated techniques utilised for analysis which are time consuming with very little outcome in the form of a development plan. The quality of the plan is basically important, but the delay in its formulation strikes at its very root. More often than not, by the time the data are collected, compiled, analysed and the master plan is finalised, the form and picture of the region has altogether changed and the development problems have become so much accentuated that they appear almost unsurmountable. Many of the provisions of the master plan become incompatible with the changed context. Apart from the delays in formulation, the master plan has to cross through many stages which involve action at the end of the state government and the

public. In the initial stage the state government have to declare the regulated area to control the development of the city in the interim period of plan formulation. Then the public objections are invited and the master plan is approved by the controlling authority or the statutory authority as the case may be. Finally the state government accords its sanction to the plan which becomes the legal instrument.

In this process, sometimes inordinate procedural delays occur which consequently reduce considerably the output of the planning agency which is the town and country planning organisation in the state. This delay in the completion of the projects is highlighted by the fact that the state town and country planning department expects to complete only 13 projects by the end of Fourth Five Year Plan since the inception of the regional planning scheme in the year 1962. The department should have completed at least 24 projects by eight divisions of the department on the basis of the average duration of the project as four years. The Town and Country Planning Organisation, Government of India, have fixed four years as duration of the biggest project.

### *Reorganisation of the System*

The State Government are alive to some of the problems of planned development and have decided to create Urban Planning and Development Authority in five KAVAL towns recently, with a view to amalgamating the functions of planning and development on the pattern of the Delhi Development Authority; the latter having done exemplary work in solving the urban problems. However, this new legislation would add to the multiplicity of legislations and authorities concerned with development, rendering the problems of coordination more complicated. The piecemeal efforts taken so far do not in anyway undermine the necessity of an early comprehensive legislation. The department has prepared a

draft of a comprehensive town and regional planning and development legislation. This legislation is supposed to look after the functions of planning and development coupled together, at various levels that is state, regional and local levels by providing for the creation of suitable mechanisms to carry out these functions at these levels.

Although this legislation also provides for the interlinking of the physical and economic planning at various levels, yet some early steps may be necessary in this direction pending the enactment of the above legislation. The interlinking of these two processes has been achieved in many countries in the west and in many states in India. The results of such an interlinking are too well known to be repeated here. It will also be in the interest of physical planning, because proceeding in isolation, it cannot deliver the goods to the society.

The next step should be to prepare the regional plans instead of local plans. For this purpose the district has already been accepted as a regional unit. By integrating the city plan with the district plan it would be possible to link the process of urban planning to national planning. In case of metropolitan regions, however, the delineation may include inter-district areas for which a special agency may be created for implementation.

For an effective organisation of the above process it would be necessary to conduct comprehensive studies at the state level in regard to urbanisation for formulating a state policy on urbanisation. This would determine the load of population which an urban centre may take without lowering the standard of services. Thus locational decisions would be easier to make in respect of various cities where dispersal or decentralisation of population or industry or other economic activity might be warranted.

### *Strategy of Action Area Planning*

For reorganisation of the planning system, it will be necessary to change the present strategy of urban planning to action area planning. This would require radical changes in our methodology and also the contents of the development plans prepared by the physical planning experts. The regional plan in replacement of local plans would seek complete integration of functional and spatial factors. It will indicate in broad quantitative and qualitative terms an outline for the spatial and temporal distribution of population and socio-economic activity in the region consistent with regional objective of harmonious physical growth, optimum use of scarce resources and of planned urbanisation with due regard to the objectives of the national plans. Thus the basic development plan would embrace the continuing planning process on the one hand and gradual completion of a

regional framework for urban development on the other.

The regional plan so prepared would be based mostly on the secondary data and the planning agency would take up minimum possible number of studies of their own thus saving considerable time. By utilising data available from different agencies it will be possible to increase their involvement in the process of plan preparation which is not the case at present. The development plan will also include fiscal programming as an integral part of its contents and it will spell out the principal policies and priorities for the future development of the region. Another essential aspect of the above plan will be its segmentation into five yearly and yearly development programmes arranged in order of priority, making it convenient to be readily dovetailed to the state five year plans and national plans.



## The Dissolution of a Municipality : A Case Study

IT is proposed to consider how the system of government control works over a particular municipality in actual practice. Nagar is a big, and populous, business centre for various trades and also equally prominent centre for politics in a state.

The Municipal Council of Nagar was called upon to show cause within 30 days of the receipt of the Government letter by the Chairman of the Municipal Council as to why it should not be dissolved for committing irregular acts of persistent default in performing duties imposed on it by or under the State Municipalities Act, as specified with schedule appended to the letter and for creating a situation in which the municipal administration could not be carried on in accordance with the provisions of the Act. The Government passed an order under the provisions of the Act dissolving the Municipal Council and appointing a Special Officer to exercise all the powers and functions of the Council and of its Chairman on and from 22nd July, 1972 for a period of two years.

As many as nine irregular acts were mentioned in the schedule giving full details of the same. The Municipal Council, Nagar, by its resolution submitted its explanation and objections to the action proposed to be taken by the Government. On a consideration of the explanation and objections, the Government held that all the charges except charge Nos. 4 and 6 were proved and

accordingly passed the order, dissolving the Municipal Council. This order was challenged in a writ petition by two of the Municipal Councillors.

The first charge was that the Municipal Council did not evince interest in the disposal of the subjects included in the meetings, and it had adjourned the meetings held on several dates without assigning any reasons and without disposing of the subjects in the agenda. The Municipal Council denied the first charge and gave several reasons as to why the meetings were adjourned. The Council contended that the model regulations did not fix any time limit for the disposal of the business, and that there was no provision in the regulations that the Council should dispose of the subjects placed before it at that meeting itself. The Government considered the explanation submitted by the Council and came to the conclusion that the contention of the Council was not correct, that the model regulations issued under the old District Municipalities Act which were adopted by the Council, continued to be in force until new regulations were adopted under the new Act passed later, and that the Government had issued another order of model regulations for adoption and they should have been adopted by the Council. The Government held that no specific provision was necessary providing for the disposal of the subjects within a particular time, that the municipal Councils are expected to function in the public interest, that the Council should complete the business

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in the agenda, that if for any valid reasons beyond its control, the Council could not dispose of all the subjects on any day of the meetings, it could fix another date at its earliest convenience and dispose of the subjects and that in as much as the Council had not done so, it showed that the Council had no interest in the transaction of the business. Accordingly, the Government rejected the explanation of the Council. It was particularly mentioned in the order of the Government that the statistics like dates of meeting and the number of items included in the agenda for consideration of the Council proved that there were quite a number of matters which came up for discussion but which were postponed on more than one occasion. The finding arrived at by the government is based on a consideration of the relevant material on record and after consideration of the explanation and objections of the Council, they arrived at the conclusion that it was nothing but the incompetency of the Council to transact the business of the house and at this rate it was difficult to carry on the municipal administration in accordance with the provisions of the Act.

His Lordship observed that he was unable to agree with the submission of the learned counsel for the petitioners that the finding with regard to charge No. 1 was not supported by any material.

The second charge relates to the failure of the Municipal Council to collect certain contributions from each of the persons who applied for house service connections for supply of water. It is contended by the learned counsel for the petitioners that the Government had passed orders that the Council should not accept any contributions and therefore the Council passed the resolution that contributions should not be collected but it did not prevent the Commissioner from accepting the contributions voluntarily made, that in fact it was not

aware that some of the persons were willing to make voluntary contributions and therefore it could not be held that there was any failure on the part of the Council to collect voluntary contributions. It is contended by the learned counsel for the petitioners that the Council was prohibited from collecting contributions for house service connections for supply of water but this contention was rejected by the Government.

The Government stated that the Council could accept contributions from the owner or occupier of a building and that the Government merely clarified in an order that the Municipal Council could not insist on the contributions. The Government found that the Commissioner reported that some of the applicants were prepared to pay the contribution but the Council in its resolution gave a deaf ear to the advice tendered by the Director of Municipal Administration, and by its resolution the Council resolved to collect the contributions only when the Government in their order communicated their observation under the provisions of the Act that the default of the Council came within the scope of the Act. The Government came to the conclusion that the action of the Council in declining to collect contributions was nothing but a scant regard exhibited by it to its financial interest. It found that a contribution for each tap connection was being collected for the last few years but soon after the present Council had come into office, it passed a resolution to discontinue the collection of the contribution. The Government found that the action of the Municipal Council was detrimental to the financial interest of the Municipality which was already in financial difficulty. His Lordship observed that the finding was based on the relevant material on record and on the resolutions of the Council and it cannot be said that it is vitiated by any error of law or that it is not supported by any material.

Charge No. 3 related to the failure of the Council to levy property tax on the

capital value of the buildings. The Council stated that there were numerous objections from several quarters, that some of the rate payers had filed writ petitions in the High Court challenging the validity of the order of the Government and therefore it could not levy or collect the tax. The government later issued an order rescinding the earlier proposals. In view of the circumstances explained by the Council and in view of the fact that the Government subsequently rescinded the earlier proposal to levy tax on capital value, His Lordship observed that the charge was not established.

The fifth charge related to the leasing out of a house by the Municipal Council to an encroacher. He had erected sheds on the site and the Commissioner got him evicted and took possession of the same. The encroacher filed an application requesting that the site should be leased out to him. The Commissioner put up a note on stating that the sheds erected in the encroached site were needed to run Municipal Elementary School of the locality which was located in a rented building and that the Municipal Engineer would be requested to assess the cost of the structures if the Council agreed to this proposal. But the Council, by its resolution, resolved to retain the applicant on lease and to evict him along with other encroachers on municipal sites. The Commissioner again placed the matter before the Council with a note that the encroachments could not be allowed further without collecting the encroachment fees or lease amounts. The Council by its resolution did not permit the Commissioner to remove the encroachments but resolved to lease out the site. Therefore the Government did not accept the contention of the Council that it did not obstruct the Commissioner from demolishing the sheds or from shifting the elementary school into the sheds. The Council did not offer any explanation to the charge that the amount of rent paid by the encroacher was abnormally low compared to the

importance of the locality in which the site was situated. In those circumstances, the government came to the conclusion that the Municipal Council had acted to the detriment of the financial interests of the Municipality and His Lordship held that the finding was fully supported by the relevant material.

Charge No. 7 related to the reduction of the licence fee for dangerous and offensive trades. The Council had passed a resolution fixing higher rates for the said trades than those prevailing in 1970-71. On receipt of representations of some traders by some of the Councillors, the Council passed another resolution reducing the rates. The government on a consideration of the explanation offered by the Council held that the Council failed to approve the proposal for the upward revision of the licence fees, under Dangerous and Offensive Trades Order for 1971-72 as notified in the District Gazette, but adopted the old rates of 1970-71 resulting in substantial financial loss to the Council. The Council sought to support this action on the plea that this was done in accordance with the decisions of the Courts and in the interests of weaker section. But the Council could not produce any decision of Court in support of this plea, nor could it explain as to who were the licencees who belonged to the weaker section. The government found that the action of the Municipal Council was highly detrimental to the financial interests of the Municipality. His Lordship upheld the action of the Government.

The eighth charge was that the Council had failed to collect arrears of encroachment fees estimated at more than Rs. 30,000. The Council gave an elaborate explanation on a consideration of which the government came to the conclusion that there was undue delay by the Council and the sub-committee constituted by it to take steps to recover the arrears of encroachment fee. The government in its order gave the several dates

to which the meetings were adjourned and ultimately found as follows :

"Thus the committee constituted for the purpose slept over the matter for 1½ years and even later simply resolved to refer the matter to the Council with an exhaustive note of the Commissioner.

"During the course of this one and half years, the Council never bothered to know as to why the Committee had failed to submit its report.

"The lengthy explanation given by the Council in this regard is only to give an account as to how the matter was delayed or postponed from time to time for a period of one and half years without giving any valid ground for their failure. Thus the charge of incompetency on the part of the Municipal Council to perform its duties and of acting in a way detrimental to the financial interest of the Municipality is held proved."

His Lordship stated that this finding was arrived at by the government on proper consideration of the representations of the Council and the relevant material placed before it.

The ninth charge related to the sanction of 86 works involving an amount of nearly Rs. 5 lakhs, in spite of the instructions of the government in their order. The Council submitted an elaborate explanation but that was not accepted by the government.

It was contended by the learned Counsel for the petitioners that the Commissioner placed before the Council only the estimates for the works and they were sanctioned by the Council, that there was no financial commitment or loss involved that there was no direction given to the Commissioner to execute the works as per the estimates sanctioned and therefore

there was no contravention of the order of the Government. The Government pointed out in its order, that "under the Act, it was the responsibility of the Commissioner to carry into effect all the resolutions of the Council and the Council could not expect the Commissioner not to implement the resolutions unless suspended or cancelled by the competent authority. The government found that the Council, besides failing to make efforts to get additional revenues, displayed undue liberal attitude in sanctioning works and thus it exhibited scant regard for the financial position of the Municipality as also the orders of the government and acted in a manner threatening the financial stability of the Municipality. Thus His Lordship observed that the finding was amply supported by the material on record.

#### *Comments*

His Lordship observed that there were no merits in the writ petition and upheld the action of the government.

Most of the Councillors and prominent citizens of the town expressed their happiness over the dissolution of the Municipality which, according to them, was not able to provide the basic civic amenities such as construction of roads, water supply, drainage, public health and sanitation. One of the Councillors pointed out that had the Councillors belonging to the ruling Congress party tried to change the outlook of the Chairman and to set right the defects in the municipal administration, the Council would not have been dissolved. Another Councillor stated that dissolving the Council was the best thing in the given circumstances when there was no improvement in the municipal finances from a long time as also the Chairman did not evince interest in municipal administration. Two councillors belonging to the Congress party observed that no council had survived its full term of five years since 1959 due to defects in administration.

An industrialist of the town commented that it had become the habit of the Government to dissolve the Municipality before the completion of its full term and also stated that if there were defects in the administration, it should have been punished to set them right and there was no necessity to dissolve the Council on account of the defects. The then Commissioner pointed out that although the action of dissolving the Council is against democratic principles, the action was inevitable in view of grave irregularities in the administration.

The Nagar Municipality has come under the charge of a Special Officer for the fourth time since 1956 with the dissolution of the elected Council in 1972. The dissolution followed the serving of a show-cause notice to the Council in 1972. On two earlier occasions also the Government had warned the Council of dissolution—once for having failed to make provision for repayment of loans to the Life Insurance Corporation of India, and again in April 1972 for not following Government instructions in regard to collection of contributions for house service water tap connections.



## Operation Recording

A CLEAN up of closed files is as important in an office as the disposal of the old newspapers, empty tins, bottles, etc., in a household. When no further action is required to be taken, it is only appropriate that the relevant files should be kept out of the way. To this effect there exist instructions in Secretariat Manuals, as well as the Procedural Guides of different offices. Unfortunately these instructions are followed more in breach than in observance. The default on this score may not appear to be very serious, but in the long run it may so seriously impair the efficiency of an organisation that it may lead to its failure.

A case in point is the Finalisation Directorate of a large Purchasing Agency. This Directorate was created in 1957, as it was felt that a large number of contracts had accumulated where the claims of the firms were outstanding, but which were not being attended to, as the Purchase Directorate was busy with actual procurement work and it gave very low priority to the claims of the firms for finalising old contracts. The main task entrusted to this Directorate was to finalise contracts entered into with suppliers on the basis of price variation, whether relating to the variations on account of CIF value, exchange rate, freight or customs duty; on the basis of cost of raw material like steel, non-ferrous metals, etc., on account of wage factors, excise duty, etc. It was also the function of the Directorate to close the contracts after examining as to whether the firm had supplied the stores in accordance with the delivery period indicated in the contracts or that these were

supplied late. In the latter case they had to examine as to whether the firm was at all responsible for the delays and if so, what penalty could be imposed on it. It was also required to recover dues from contractors in respect of the cases where the price variation had been to the benefit of the purchasers. In short the Directorate was asked to finalise all the outstanding issues in respect of such contracts and to send to Record Room the files after finally disposing of the firm's claims or obtaining purchaser's dues.

For this Directorate to function, all the Purchase Directorates were asked to transfer files relating to contracts where supplies had been effected and finalisation decisions of the nature mentioned above were required to be arrived at. This needed house cleaning on the part of the Purchase Directorates and as in most of the households, this job was taken reluctantly. However, in due course a large number of files were transferred to the Finalisation Directorate for disposal, and they continued to examine and decide cases referred to them. While doing so, they too almost neglected their last function, *i.e.*, sending of files to the Record Room. Consequently, a large number of files accumulated and it became difficult at one stage to distinguish as to which of the file was finally disposed of, which was partially disposed of or which had not been examined at all. Complaints started pouring in from the Suppliers that large amounts were held up on account of non-finalisation of the cases. On a review of these claims and the working of the Finalisation Directorate, it was finally

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\*Director, Ministry of Supply, Government of India.

decided that this Directorate may be closed and all finalisation work may be entrusted to the Purchase Directorates, who may be equipped with the Finalisation Units for the disposal of the contracts with price variation clauses.

In the meantime a large number of old cases piled up in the Finalisation Directorate, required to be examined and closed. There was a large number of letters, representation, etc., which required looking into. In January, 1967, it was reported that 12,462 receipts were outstanding for disposal and about 1,390 cases were pending examination.

In April, 1967, the Director concerned went round the office and discovered that there was an unusually large number of files accumulating in the hall where the staff was located. On enquiry, it was found that these were mostly finalised and closed cases which needed recording and indexing and despatch to the Record Room. The only reason for this job not having been done so far was that it was not at all important enough to attract attention. As an added argument it was pointed out that a large number of letters received could not be replied to, as the files were not available with the dealing clerks and these heaps had to be constantly searched in order to locate the missing file. It was no doubt true that a large number of receipts in this office remained unattended as the relevant files could not be traced. When the staff was asked to attend to this work, they pleaded that their hands were too full.

The result of the visit made it clear beyond doubt that the poor functioning of this Directorate was due to the fact that the files could not be traced and this was in turn due to the fact that old files had not been weeded out or indexed and the persons concerned, therefore, had to locate their files by *ad hoc* foraging in the jungle of files lying on the floor. The remedy became obvious, i.e., the recording and indexing of the files must

be given priority, if the functioning of the office had to be improved.

A Special Cell of four persons from among the staff of the Directorate was created with a view to indexing and recording the old files, but they found that staff were not at all helpful in getting rid of the old files around them. They seem to be revelling in this bushy growth, bigger heaps provided better chances to throwing their hands up when the O & M asked for prompt disposal.

Luckily due to the shifting of office, (the Directorate was shifted to another floor) this opportunity was availed of and it was decided that the clerks would carry files related to their day to-day work only and all files which were lying on the floor unaccounted for would be segregated in a separate room. When this was accomplished and the Special Cell went into function, another set of problems of a minor nature raised their work load.

All files which were to be sent to the Record Room had to be

- (a) Stitched neatly,
- (b) Checked up that no issues remained outstanding, and
- (c) List had to be prepared in triplicate indicating file No., subject as per classification, which would accompany the file to the Record Room.

The job at (a) above proved interesting to handle. Each office had provided with only one or two duftries, whose charter of duties called upon them to locate the files and to stitch and arrange these whenever required. Now if these few duftries were entrusted with the task of stitching of thousands of files, it would have taken them beyond their superannuation. Administration Directorate, when approached, generally doubled the strength of duftries, but this too was inadequate. It was ultimately decided

that all the duftries and peons of the office may be put for the stitching of these files on holidays. This could easily be ordered than done. If all the duftries and peons were put on the job, each needed a hammer, a punch and a wooden board to stitch. The entire office could not muster all the equipment required and this led to a rather unorthodox decision that any one who wanted to join this stitching mela would bring his own tools for the job. Since overtime allowance had to be earned every one agreed to beg, borrow or steel. The net result was that in a month or two all the old files of this much maligned Directorate numbering about 12,000 were stitched and were ready for examination and recording.

Since most of contract had been completed, the other process did not present any unsuperable problems and the work proceeded smoothly. The following figures would indicate the state of affairs before, during and after this Operation Recording :

<i>Month</i>	<i>No. of files recorded</i>	<i>Running Total</i>
January, 1967	143	143
February, 1967	140	283
March, 1967	—	283
April, 1967	1,499	1,782
May, 1967	2,768	4,550
June, 1967	4,433	8,983
July, 1967	3,145	12,128
August, 1967	470	12,598
September, 1967	—	12,598

It was possible that a few files which had not been finalised might have also crept into the Record Room, but as the task of recording also included indexing of these files, locating of such files when required was facilitated. The oldest hand in the Section was not needed to dive for a file, even a junior clerk could go through the index of files recorded in order to check up when the file had been sent to the Record Room. Consequently the settlement of cases was speeded up. This would be borne out by the figures at the end of the article.

With the diminishing outstandings of receipts and cases, some hands were rendered surplus and in August/September, 1967 about 40-45 per cent staff of the Directorate was withdrawn. To summarise, this Operation Recording retrieved the reputation of the Directorate, effected economies in its operation and during the following period, *i.e.*, June 1967 to May 1968 an amount of Rs. 1.13 crores was released to the trade against their legitimate outstanding claims. Naturally there were hardly any genuine complaints left.

The above illustration would go to prove that the task of recording files in any office is not of mean value, it has direct bearing on the efficiency of the Organisation. If this is performed along with the day-to-day work, as is done by the housewife, it would give a neat appearance to the office, will add to the dignity of the worker and would also enhance efficiency.

	<i>Jan.</i> <i>1967</i>	<i>Feb.</i> <i>1967</i>	<i>March</i> <i>1967</i>	<i>April</i> <i>1967</i>	<i>May</i> <i>1967</i>	<i>June</i> <i>1967</i>	<i>July</i> <i>1967</i>	<i>August</i> <i>1967</i>	<i>Sept.</i> <i>1967</i>
Cases	542	567	395	507	523	692	264	249	169
Receipts	4264	4394	4929	5001	5644	5562	2741	1586	921

## Environmental Improvement Scheme

THE Central Scheme for Environmental Improvement in the urban slums was introduced in April 1972. This scheme was to cover originally only eleven metropolitan cities, viz., Calcutta, Bombay, Delhi, Madras, Hyderabad, Ahmedabad, Bangalore, Kanpur, Poona, Nagpur and Lucknow. Subsequently nine more cities were added to the list to have representation of at least one city each from all the major states and Union Territories. The newly included cities were, Indore, Jaipur, Srinagar, Patna, Cochin, Ludhiana, Cuttack, Gauhati and Rohtak. The scheme was being implemented through the respective state governments and Union Territory Administration and their Local Authorities.

### *Scope of the Scheme*

The scheme's main objective is to provide certain basic amenities in the urban slum areas not intended for clearance for atleast ten years. Initially the proposal was to cover only the slums on government lands, but later it was decided to include under the scope of the scheme, the slums on the lands owned by the local bodies and other statutory authorities and also the slums on privately owned lands provided the state governments concerned pass suitable legislation to the effect that the landlord would not be entitled for higher rentals from the slum dwellers in consideration of the improvements effected under this programme and would not claim higher compensation in the event of acquisition of the said land by the government.

\*Statistician (CMA), IIPA, New Delhi.

†State Government/Local body has to provide dispensaries, primary schools and other community facilities from their own resources in case such facilities are not available within a reasonable distance of the slum areas that are covered under the present programme.

### *Scale of Improvements Proposed*

The improvements proposed under the present programme largely relate to the provision of water supply including water taps, sewers, storm water drains, community latrines and baths, street lighting, widening and paving of lanes. The standards laid down for effecting the improvement in respect of some of the facilities were as follows :

- (i) Latrines : one seat for 20-50 persons,
- (ii) Water taps : one tap for 50 persons
- (iii) Street lighting : one pole at 30 metres apart.

### *Conditions for Sanctioning the Schemes*

The expenditure on setting up the above mentioned facilities according to the norms laid down would be met entirely by the Central government under the present programme. The state government concerned would be required to meet from its own resources, the expenditure on the Departmental supervision and also expenditure on items like temporary housing of slum dwellers, etc., during the execution of the present programme. The developmental works† in slums other than those listed above and also the expenditure on the maintenance of facilities provided under the present scheme were to be born entirely by the state government concerned. Further it was stipulated that not less than 65 2/3 per cent of the central assistance should be utilised for setting up environmental



improvement facilities (super structures) and the balance of 33½ per cent could be utilised for acquiring land, etc., for setting up those facilities. The above various conditions for providing the financial assistance under the present programme were circulated among various State Governments and they were requested to draw and submit the schemes accordingly.

#### *Procedures for Advancing Funds*

The total budgeted amount under the present programme is apportioned among the different cities as shown in col. 4 of the Table at pp. 44-45 largely on the basis of their population. The procedure followed for release of funds in actual practice was to advance 25 per cent of the approved cost as soon as a scheme was cleared and the balance in two or three instalments depending on the satisfactory utilisation of amounts advanced earlier. The last instalment which was formerly 25 per cent and now reduced to 15 per cent of the approved cost of the scheme would be held back till all the accounts were submitted satisfactorily. On final settlement the Central assistance would be limited to the expenditure actually incurred/the value of the scheme as approved/the amount earmarked whichever was the lowest.

#### *The Schemes Sanctioned up to the End of December 1973*

As could be seen from column 5 of the Table which gives the value of schemes submitted for clearance under this programme, the present programme received enthusiastic response from almost all the states concerned from the very beginning except Bihar and Assam. The programme was yet to be extended to Patna and Gauhati. It could also be seen from the data given in the above mentioned column of the Table that the total value of the schemes submitted in respect of some of the cities, namely, Bombay, Kanpur, and Lucknow far exceeded the budget amounts apportioned in their case. After scrutiny a good number of schemes initially submitted were however not cleared. Apparently

they did not satisfy all the criteria laid down for funding under the present programme. Presumably in view of this the Central government had at one stage considered inviting schemes to the tune of double the budgeted amount from each of the cities concerned. This offer was however later withdrawn. Thus we find that the total value of the schemes cleared in respect of Madras, Jaipur, Lucknow, Srinagar, Cochin, Ludhiana, Cuttack exceeded the amounts budgeted in their cases (vide columns 7 & 11).

#### *Intercity Comparisons*

Column 10 of the Table gives the number of beneficiaries under the schemes sanctioned up to the end of December 1973 in different cities. From column 12 it could be seen that the beneficiaries of the sanctioned schemes constitute as high a percentage as 30.3 of the total population in the case of Srinagar. In the case of Lucknow the percentage in question was 19.98. In Calcutta, Kanpur, Ludhiana, Nagpur and Delhi the percentage was 14.22; 12.33; 12.06, 11.42 and 10.15 respectively. But in Ahmedabad the percentage of beneficiaries to the total population was only 1.45 and in other cities it varied in the range of 5 to 10. Similarly, the *per capita* expenditure as proposed under the sanctioned schemes vary considerably. The highest figure was in Madras, viz., Rs. 132.89 and the lowest was Rs. 33.30 in Calcutta. In the case of Srinagar the *per capita* expenditure was 47.64. In the case of Delhi, Rohtak, Bombay, Ahmedabad and Lucknow it was respectively Rs. 60.07, Rs. 68.52, Rs. 73.67, Rs. 76.11 and Rs. 84.98. In the other cities the *per capita* expenditure proposed under the sanctioned schemes was in the range of Rs. 95 to Rs. 115 (vide column 13 of the Table).

#### *Progress in Implementation*

The execution of the schemes in different cities, as indicated by the expenditure incurred up to the end of December 1973 (vide column 9) seem to vary considerably. In the case of Calcutta, Bombay, Kanpur,

TABLE  
PARTICULARS ABOUT THE ENVIRON

<i>Sl. No.</i>	<i>City</i>	<i>Population 1971</i>	<i>Amount earmarked</i>	<i>Value of the Schemes submitted upto end of Dec. 1972</i>	<i>Value of the Schemes sanctioned upto end of Dec. 1973</i>	<i>Value of the Schemes sanctioned upto end of Dec. 1973</i>	<i>Total amount released upto the end of Dec. 1973</i>
		(Rs. lakhs)	(Rs. lakhs)	(Rs. lakhs)	(Rs. lakhs)	(Rs. lakhs)	(Rs. lakhs)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1.	Calcutta	70.31	350	N. A.	200	333.00	333.00
2.	Bombay	59.71	250	920	243	247.87	186.22
3.	Delhi	36.47	250	261	221	222.28	125.33
4.	Madras	31.70	250	221	143	258.15	199.87
5.	Hyderabad	17.96	150	174	38	121.33	30.36
6.	Ahmedabad	15.92	150	152	14	17.61	10.90
7.	Bangalore	16.54	150	90	72	76.91	54.69
8.	Kanpur	12.75	150	213	147	146.88	108.00
9.	Poona	8.56	100	110	5	76.03	19.39
10.	Nagpur	8.66	100	96	96	97.05	90.73
11.	Lucknow	8.14	100	234	99	138.23	95.19
12.	Indore	5.61	50	N. A.	N. A.	45.29	11.00
13.	Jaipur	6.37	50	N. A.	N. A.	55.50	13.88
14.	Srinagar	4.15	30	N. A.	N. A.	60.00	15.00
15.	Patna	4.75	30	N. A.	N. A.	—	—
16.	Cochin	4.39	30	N. A.	N. A.	38.81	9.70
17.	Ludhiana	4.01	30	N. A.	N. A.	52.91	13.23
18.	Cuttack	2.06	10	N. A.	N. A.	16.65	3.94
19.	Gauhati	1.46	10	N. A.	N. A.	—	—
20.	Rohtak	1.25	10	N. A.	N. A.	8.30	4.14
Total		320.77	2250	247	1279	2012.80	1324.57

# MENTAL IMPROVEMENT SCHEME

<i>Total amount spent upto end of Dec. 1973.</i>	<i>Expected number of beneficiaries (Lakhs)</i>	<i>Value of the Schemes sanctioned as percentage of amount earmarked</i>	<i>Percentage of beneficiaries to total population (col 10 ÷ col 3)%</i>	<i>Per capita expenditure sanctioned (col 7 ÷ col 10)</i>	<i>Percentage of amount spent to the earmarked (col 9 ÷ col 4)%</i>	<i>Percentage of amount spent to the sanctioned (col. 9 ÷ col. 7)%</i>
(9)	(10)	(11)	(12)	(13)	(14)	(15)
333.00	10.00	95.14	14.22	33.30	95.14	100.00
187.82	3.36	92.20	5.64	73.67	75.12	75.77
102.58	3.70	88.80	10.15	60.07	41.03	46.15
177.98	1.94	100.32	6.13	132.89	61.19	68.95
4.09	1.07	80.67	5.94	113.14	0.27	3.37
8.52	0.23	11.74	1.45	76.11	5.68	48.40
48.94	0.79	51.33	4.79	97.00	32.62	63.60
114.04	1.58	98.00	12.36	92.99	76.02	77.64
20.00	0.68	76.03	7.92	112.19	20.00	26.31
76.22	0.99	97.05	11.42	98.07	76.22	78.54
69.46	1.63	138.23	19.98	84.92	69.46	50.25
N. A.	0.38	90.58	6.86	117.63	—	—
N. A.	0.50	111.00	7.79	111.93	—	—
N. A.	1.26	200.00	30.33	47.64	—	—
N. A.	—	—	—	—	—	—
N. A.	0.40	130.00	9.11	97.03	—	—
N. A.	0.48	176.67	12.06	109.34	—	—
N. A.	0.16	166.50	7.00	105.69	—	—
—	—	—	—	—	—	—
2.07	0.12	83.00	9.71	68.52	20.70	25.06
1144.72	29.27	89.95	9.12	69.77	50.80	56.87

Nagpur and Madras the percentage of expenditure incurred to the total value of the schemes sanctioned was fairly high around 70 (vide column 15). From these percentage figures it could be inferred that the progress in the execution of approved schemes in those cities was fairly satisfactory. But in the case of Hyderabad the percentage of expenditure incurred to the total value of the schemes cleared is only 3.37. In the case of Rohtak, Poona, Delhi and Ahmedabad also the progress in execution of the schemes do not appear to be very satisfactory and the percentage of the expenditure to the sanctioned amount

in their case was only 25.00, 26.31, 46 and 48.40 respectively. In the case of Indore, Jaipur, Srinagar, Cochin, Ludhiana, and Cuttack no progress reports about the expenditure incurred by them were received by the Central government up to the end of December, 1973. Since the advances outstanding to their credit as indicated in column 8 of Table constituted roughly only 25 per cent of the cost of the schemes approved in each case, it could be safely inferred that the progress in the execution of the sanctioned schemes in those cities was also not up to the original expectations.



## JUDICIAL DECISIONS\*

### *The Contract Labour (Regulation and Abolition) Act*

Dismissing a batch of fourteen writ petitions challenging certain provisions of the Contract Labour (Regulation and Abolition) Act, 1970, and the central rules and the rules of the states of Maharashtra and Rajasthan, made thereunder, a constitution bench of the Supreme Court has held on March 20, 1974 that the provisions are valid and that a labour contractor must provide all the statutory facilities to his labourers irrespective of the nature or place of their work. The court described the provisions for canteens, rest rooms, facilities for the supply of drinking water, latrines, urinals and first aid facilities as "amenities for the dignity of human labour", and held that "the reasonableness as well as the practicability of these facilities is indisputable". The court found that none of the challenged provisions, which included Sections 16 and 17 of the Act and the rules 25(2)(vi) and 40 to 56 were unreasonable or violative of the fundamental rights of the petitioners. The court also ruled that a labourer would be deemed as a 'contract labour' in connection with the work of an establishment even though his place of work may be away from the place of the principal employer (on whose behalf the contractor is carrying out the work) and irrespective of the fact whether he was employed, by the contractor or a sub-contractor (who had been retained by the contractor to carry out a part of the contracted work).

### *Property Tax*

By another ruling given on the same day, the Supreme Court has held that a land in urban Bombay area on which a building is in the process of construction, is also liable to corporation tax under the Bombay Municipal Corporation Act, 1888. The court was setting aside a judgment of the Bombay High Court which had held that although a vacant plot of land as well as a land which had been built upon were "rateable" under the Act, any part of land on which a building was being built would not be liable to corporation tax until the building was completed. The High Court had based its decision on the English common law doctrine of "sterility". The Supreme Court pointed out that no such "third category" of land was conceivable under the Act. A correlated construction of the provisions of the Act showed that all lands coming within its purview should come within one of the two categories — vacant land and that which has been built upon — and the determining factor of "rateability" was "the annual rent for which it might be reasonably expected to be let from year to year". As long as that criterion was applicable on the facts of the case no such category as "land which was being built upon" should be permissible, the judgment said.

### *Annulment of Resolution*

The Punjab and Haryana High Court, by its ruling on December 14, 1973 (Reported in 1974 SLJ 180) has held that the power granted to the state government

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\*Collected and compiled by C. M. K. Balachandran, Lecturer (CMA), IIPA, New Delhi.

under Section 236 of the Punjab Municipal Act to annul or modify the proceedings of the Municipal Committees have to be exercised in a contingency where the action of the Committee appears to be not in conformity with the law or rules in force under any enactment which is applicable to Punjab. Striking down the order of the state government rescinding a resolution of the Mansa Municipal Committee by which the petitioner in this case was allowed to resume duties as Octroi Superintendent of the Committee, the court held that the power to control should be exercised for ensuring that the Municipal Committees acted in accordance with the law and not for an extraneous purpose or for reasons which did not exist in the eye of law. The court also observed that "an Executive Officer of a Municipal Committee has to abide by the wishes of the majority of the Municipal Commissioners. He cannot bid a good bye to the commands issued by them nor can he create a situation under which a lawful resolution passed by the members of a Municipal Committee can be circumvented. If he faces any difficulty in carrying out the resolution of the Municipal Committee, it is his duty either to report the matter back to the elected representatives or to seek appropriate direction from the government".

### *Presidential Election*

The Madhya Pradesh High Court has held (12-7-73) that under the Scheme of the Madhya Pradesh Municipalities Act, 1961 when the election of a Municipal member or the President is set aside by an Election Tribunal, the decision of the Tribunal creates a temporary or casual vacancy only, upon the occurrence of which the newly elected president continues in the office only for the unexpired term of his predecessor. Whether the vacancy is created by the death or by reasons of the president becoming incapable of acting, or because his election has been set aside, the result would be the same : it would create only a casual vacancy. The question to be considered by the court was whether on election of the president being set aside, the vacancy so caused in the office of the President was a casual or temporary vacancy available to the successor for the unexpired term of his predecessor or whether the successor president should be treated as having been elected by the Council in its first meeting under the provisions of Section 43(2)(a) and full two years' term would ensure to his benefit after he entered upon his office. The contention of the petitioner was that when the election was declared void it was not an occurrence of a casual vacancy. The court rejected this contention and held as above.

# URBAN NEWS

## UNION GOVERNMENT

The Rajya Sabha recently passed the Prevention of Water Pollution Bill. The Bill applies to the States of Gujarat, Haryana, Jammu & Kashmir, Kerala, Karnataka and the Union Territories in the first instance, and to other states where a legislative resolution will be adopted. The Bill provides for the setting up of a Central Board for Prevention and Control of Water Pollution with a full-time Chairman. The membership consists of five officers nominated by the Central Government and five representatives from the State Boards. The Board will also have non-officials to represent other interests like agriculture, fisheries and public companies. The Board will play both advisory and regulatory roles and set up laboratories.

\* \* \*

The Ministry of Works and Housing transferred the NDMC's work of slum clearance to the Delhi Development Authority. The slum clearance work had already been taken over from the Delhi Municipal Corporation.

\* \* \*

Shri K. K. Shah, Governor of Tamil Nadu, inaugurated the twelfth All-India Conference of Mayors at Madurai on 12th and 13th December, 1973. The Conference considered in detail : (a) Supersession of Corporations; (b) Model Act for Municipal Corporations; (c) Amendment of Constitution of India, and (d) Provision for Urban Development in the Fifth Five Year Plan.

\* \* \*

The second meeting of the Committee for Municipal Model Act held at Bangalore on 9th December, 1973, considered the comments received from the Municipal Corporations regarding Mayor-in-Council plan, property tax, and maintenance of accounts. In addition, the Committee discussed (a) creation of Municipal police for the enforcement of municipal provisions; (b) Municipal Magistrate; (c) functions of Municipal Corporations as at present; and (d) privileges of Councillors including immunity to members of the Corporation regarding the speeches made on the floor of the House as granted to members of the Central and State Legislatures.

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A two-day seminar was organised jointly by the Delhi Municipal Corporation and the Gandhi Peace Foundation and the Centre for Training and Research in Municipal Administration of the Indian Institute of Public Administration, New

Delhi, on 'Municipal Administration and Citizens'. The seminar was inaugurated by the Union Defence Minister, Shri Jagjivan Ram. He stressed the need for changes in the structure of municipal bodies in the country. The change in social objectives required suitable amendments in the Municipal Act, rules and bye-laws. The Seminar was attended by scholars, administrators, councillor and politicians.

## STATE GOVERNMENTS

The State Governments of Maharashtra, Kerala, Karnataka, Tamil Nadu, and Rajasthan have set up State Municipal Finance Commissions/Committees to look into financial aspects of their local authorities.

### *Gujarat*

The Coordination Committee representing civic bodies has been set up by the State Government. The State has also set up State Municipal Consultative Council to advise on Municipal Affairs.

### *Maharashtra*

The Maharashtra Slum Improvement Board has come into being. It organized its first meeting recently to consider the problems of slum dwellers.

The State Legislature has passed the Maharashtra Municipalities and other provisions (Amendment) Bill, recently.

## CITY GOVERNMENTS AND SPECIAL AGENCIES

### *Bombay*

The plan to beautify the Gateway of India has been approved by the Municipal Corporation. The plan was prepared by the Society for Clean City. The plan envisages a spacious garden, two fountains and a pedestrian plaza. The idea is to keep the entire area clean and beautiful.

The truck owners of Bombay recently took out a procession to express their dissatisfaction with the levy and collection of octroi.

### *Delhi*

Shri K. N. Sahni has been elected Mayor of Delhi.

Mr. Pran Nath Bahl has taken over as the President of New Delhi Municipal Committee recently.

The New Delhi Municipal Committee has decided to set up a commercial complex on a 30-acre plot behind Barakhamba Road. The Chief architect has been



asked to draw a plan in consultation with the New Delhi Re-development Advisory Committee.

*Gauhati*

The First elections of the newly created Gauhati Municipal Corporation was held on 29th January, 1974.

*Kalyana*

The local authority has decided to impose professional tax from April 1, 1974. Rupees 12 will be charged annually from those whose income falls between Rs. 3,600-4,800 slab and Rs. 250 from those having annual income of Rs. 18,000 or more.

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# NEWS FROM THE TRAINING AND RESEARCH CENTRES

## NATIONAL CENTRE

The second course on *Laws in Municipal Administration* was organized (January 7-19, 1974) by the Centre with a view to familiarising the senior municipal law officers with the underlying principles of municipal law and the changes which have taken place in different legislations concerning municipal administration. The course was well attended by participants from different states of India. Also, there were three participants from Kenya.

The Centre organized a two-day Seminar (February 5-6, 1974) on *Slum Clearance and Improvement* which was inaugurated by Shri Om Mehta, Minister of State in the Union Ministry of Works, Housing and Urban Development. The Seminar discussed the strategies to tackle the problem of slum clearance and improvement and preventive aspects of slum clearance in urban India. The seminar was widely attended by a number of experts on the subject, officials from the Central and State Governments and local authorities.

On March 1-2, 1974, a high-level Seminar was organized on *Urban Planning and Development Authorities*. It was inaugurated by Shri Om Mehta, Minister of State, Works, Housing and Urban Development. The central topic for the seminar was the organizational problem in the larger urban complexes and other urban areas. What kind of administrative machinery would best suit the needs of these areas—was discussed in details by participants from a cross section of organizations including municipal authorities, Central and State Ministers, urban development authorities and special agencies.

Another seminar on *Municipal Budgeting Reforms* was organized by the Centre on March 5-6, 1974 at the instance of the Committee on Budgetary Reforms in Municipal Administration (set up by the Seventh Annual Conference of Municipal Corporations). The seminar aimed at further enlightenment of the Committee from the views and experiences of senior officials as well as elected representatives on the formulation of budget, financial control, audit procedures and their suggestion on Municipal financial system as a whole in order to increase efficiency and proper assessment of performances.

## Bombay

The Bombay Regional Centre organized three courses on (1) Local Government Service (L.G.S.) Diploma Course at Bombay for municipal officers holding supervisory

posts, (2) Condensed 'Local Self-Government Diploma Course' at Kolhapur, and (3) Condensed Local Self-Government Diploma Course at Goa for junior level officers of Municipal Councils of Goa. The Centre also organized four seminars on (1) Land Acquisition, Management and Development, (2) Slum Improvement and Slum Clearance, (3) Personnel Administration, and (4) State-Local Relations. These seminars were well-attended by the practitioners and experts on the subjects.

The Centre is presently drafting reports of the studies conducted on (1) Socio-Economic Conditions of Class IV employees of Bombay Municipal Corporation, (2) Municipal Water Supply Schemes in Maharashtra and, (3) Municipal Case-Law. In addition, the following reports are under print : (1) Cost of City Administration in Gujarat State, (2) Urban Health, (3) Laws of Municipal Elections, and (4) Role of Municipal Councillors.

### *Calcutta*

The Centre has just completed its 3rd Diploma Course in Urban and Municipal Administration, and the Fourth Course will start shortly. For the trainees of the Third Course, Seminars were organised on : (i) Municipal Engineering Services, (ii) Town Planning, (iii) Panchayat System in West Bengal, (iv) Application of Industrial Disputes Act, 1947 to Municipalities. Besides, discussion sessions were arranged on (i) the Role of the CMDA, and (ii) the Functioning of the West Bengal Fire Services. A cell has been created within the Centre to collect, publish and disseminate information relating to urban administration in the region.

## BOOK REVIEWS

*URBAN INDIA AND PUBLIC POLICY*; RAHEJA, B. D. (Dr); Bombay; Somaiya; 1973; pp. 323; Rs. 50 00.

The study is an outcome of the research done by the author under the Metropolitan Cities Programme at Maxwell School, Department of Social Sciences, Syracuse University, U. S. A. According to the preface, the study aims at organisation and correlation of significant facts and forces on the very "penetrating" questions such as: Is a higher rate of urban metropolitan growth inevitable?; What are the major characteristics of urban metropolitan growth?; Do the selected urban indicators demonstrate any significant growth and development and to what extent the symptoms of discomfort and frustration are visible in our cities and towns? (Preface page ix).

The author further delimits the scope of his research when he says that it "does not claim to discover any laws or propound any theories". He justifies this approach and timing of study because "Indian urban scene is in transition; which means that something has happened, but much more is likely to happen. Times are ripe for studying the Indian cities and towns and develop our own theory of urban growth."

In Chapter 2 titled "Urban and Metropolitan Growth" he dwells on Metropolitan Growth trends, surveys and census data of 1961. He links up these trends with Chapter 3, where the author discusses in details the constitutional framework, urban development and Five Year Plan and Urban Land Policy under the chapter title Central; guidance and leadership. He concludes that "the decision making processes at all levels of Government are confronted with basic and inherent power disputes." (page 55). The "Constitution of India completely ignores the cities and towns and to all intents and purposes, these are non-existing entities in the entire context." (page 57). Though he agrees the modern administration and economy are complicated enough to justify proper diffusion of executive powers and functions, but in actual practice the inter-governmental relations are greatly influenced by party politics, policies and programmes. (page 71).

In Chapter 4, the study gives exhaustive data about the nature, scale and scope of State Government's administrative and supervision control. This Chapter covers as diverse subject as Organisation, Transfer of Resources and even Regional Planning. With this background the author raises two fundamental questions in the next Chapter, "Local Problems and Prospects"—(a) What are the most outstanding problems they confront? (b) What are the measures being taken to solve them? (page 128). He concludes that "these units (local) of Government in all the States were without pre-determined and pre-conceived plans. In other words they evolve in the diverse patterns in the absence of any national policy or uniform action of the State Government." (page 129). He comes to the conclusion that "the system of local Government is in need of urgent reform. The existing structure is no longer suitable for modern and challenging requirements." (page 141). This Chapter gives enormous quantity of

feedback data; but not necessarily on specific problems listed in the Introduction. The two annexures in the book present further "a series of statistical analysis dealing with the demographic social economic and fiscal aspects of 48 towns-groups, 15 states and urban India. The statistical comparisons indicate the general trends of urban metropolitan growth and the relatively magnitude of different facts and forces in the Indian Urban scene.

The broad conclusions which are thrown up by the book are : that the policy to encourage the metropolitan growth is found sound in United States of America and must be so in India. It may be difficult to agree on this preposition because urban growth in India continues to be lop-sided with a quarter of population concentrated in half a dozen cities and which has lead to many theorists to point out that over urbanization even at this infant stage of urban growth has been reached. Surprisingly the author finds it necessary to link up foreign aid with urban growth by saying that "to maintain the existing democratic system of Government, we should supplement and increase more rapidly our indigenous resources and our efficiency to match foreign aid". Another area where the author surprises in interpretation is when he distinguishes International Economics and Urban Economics. Surprisingly he says that Urban Economics "is concerned with the problems of depressed and stagnant areas and region in a national economy". (page 161). Further Dr. Raheja concludes that Indian towns have suffered seriously since Independence from a "leadership vacuum". (page 162).

However, the author finds it contradictory that "despite a decade of Democratic Decentralisation we are tending towards Centralisation". He continues that since "administration is nine tenths of policies" and "if the Planning Commission or National Development Council does not develop a new policy for the urban sector, there is no guarantee of success". (page 163).

On the development of the new cities, though the argument is not logically derived and is not supported by any statistics, the author nevertheless concludes that "any attempt to build centres of less than one lakh or two lakhs population—is doomed to failure if these are built outside the immediate vicinity of large metropolitan centres." (page 168). In his view a growth centre of below this size away from the metropolitan areas would not succeed which seems to be controversial.

He has also a nice advice for the academics by saying and concluding that the time has come when applied economics as well as general economics should exercise and unravel the complicated economic problems of region, cities, town groups, towns and their impact on national scene". (page 166). It seems he undertook the study with "emphasis on the rôle of cities and towns as surer road to development".

The author gives a useful detailed interdisciplinary bibliography on Urban Government, State and Central Government, Municipal and Public Finance, Urban Economics, Urban Sociology, Regional Planning, Urban Housing and Urban Demography.

—MULKH RAJ\*

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# WORK PROGRAMME

## OF

### INDIAN INSTITUTE OF PUBLIC ADMINISTRATION CENTRE FOR TRAINING AND RESEARCH IN MUNICIPAL ADMINISTRATION NEW DELHI

#### Programme for 1974-75

<i>Courses</i>	<i>Duration</i>	<i>Dates</i>
(1) Municipal Management.	2 weeks	July 8-20, 1974
(2) Municipal Budget and Finance.	2 weeks	Aug 5-17, 1974
(3) Techniques of Municipal Administrative Improvement.	3 weeks	Sept. 2-21, 1974
(4) Valuation and Assessment for Property Taxation.	2 weeks	Oct. 7-19, 1974
(5) Laws in Municipal Administration.	2 weeks	Nov. 18-30, 1974
(6) Municipal Tax Structure and Administration.	2 weeks	Dec. 9-21, 1974

#### SEMINARS

(1) State-Local Fiscal Relations.	Nov. 8-9, 1974
(2) Development Plans and Their Implementation.	Sept. 27-28, 1974
(3) Behavioural Issues in Municipal Government.	January 24-25, 1975



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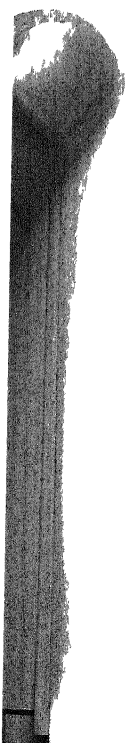
# NAGARLOK

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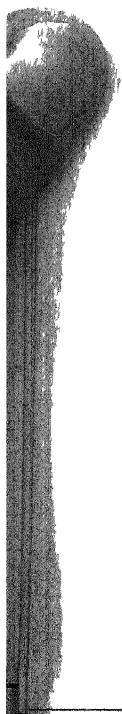
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## EDITORIAL

Currently a salutary trend is discernible as more and more States are expressing concern about urbanization and urban problems specially in their major urban complexes. Hopefully, the anxiety of the States would lead to some hard thinking about how to regulate urban growth in a desirable manner. Initially, urban development was thought in mono-institutional term. Time and again, the municipalities have been criticised as being the patent defaulter without caring to understand that 'urban development' is not synonymous with 'municipal development'. Both spatially and functionally urban development has a much wider connotation, and the municipality is just one of the many institutionalities locked up in a sprawling urban space. To evolve a strategy of urban development, all these institutionalities have to be woven into an integrated pattern which is not by any means an easy task. Another critical task is to relate this kind of spatial development to a larger policy frame aiming to promote 'balanced' urban growth throughout a State. This would necessitate formulation of a State policy on urban development to which Mr. Biswas refers in his article in this issue. Such a macro view of urban growth and development need also to be matched by a clear thinking on the shape of institutionalities that would take care of the organizational or governmental aspect. Prof. Deva Raj's article draws attention to a similar attempt in England in recent times. These issues are important enough to warrant careful thinking on urbanization in India.

—EDITOR



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# An Urban Development Policy For West Bengal

THE recent spurt of interest being shown on Calcutta Development from many quarters is a very welcome change indeed. Amidst a host of commentaries—some perceptive, others not always so, one relevant point which is being missed is the question as to in what particular urban development policy framework is the CMD programme being visualised and proposed to be extended further in the 5th Plan. So far, it is not yet known if there is any urban development policy in West Bengal.<sup>1</sup> If one considers the budgetary allocations amongst the different sectors of the economy in the State in the 4th Plan, Calcutta Metropolitan Development alone accounts for, notwithstanding several non-plan sources of finance, slightly less than 50 per cent of the total size of the State's 4th Plan. It is all the more necessary therefore that such a huge chunk of investment is made and accelerated in future in the context of a framework of urban development in the State.

The crucial need at present is to develop a State-level (if not at the national level) urban policy conducive to econo-

mic, social and political development. There are, however, certain necessary pre-conditions on which the success of formulation and implementation of such a policy depend. These include :

- (i) a stable and development minded political machinery oriented towards sustained action through planning philosophy and techniques;
- (ii) existence or setting up of an appropriate political and administrative machinery for planning and implementation;
- (iii) a defined legal framework indicating organisational, budgetary, land acquisition and control, etc., machineries involved in planning and implementation processes;
- (iv) availability of financial resources to engage multidisciplinary and trained planning personnel.

In addition, it should be worth mentioning that the high cost of most of the planning solutions relative to the limited

\*Of the Indian Administrative Service; formerly Director, Calcutta Metropolitan Planning Organization, and Secretary, State Planning Board, West Bengal; presently working as Joint Refugee Relief Commissioner, Government of West Bengal.

<sup>1</sup> This feature however is not unique in West Bengal's case ..... "the growing body of national economic planning and national economic plans pay surprisingly little attention to urbanisation and the importance of organising in harmony the functions and activities which are juxtaposed within urban context. Sectoral programming for such broad categories as industry, agriculture, transportation and housing (on a nation-wide or, at best regional basis) continues to command almost exclusive attention", in the chapter on Urbanization and National Development in *Urbanization : Development Policies and Planning*, International Social Development Review No. 1, UN Publication (ST/ SOA/Sec. x/1; E.68 iv.1), p. 79.

financial potential may often seem forbidding, but it is equally true that the long-range economic and social cost of not planning is much greater. In fact, this is most immediate rationale for suggesting an urban development policy.<sup>2</sup>

The major difficulties that arise in any exercise of this kind here are : firstly, there are no existing guidelines in this matter excepting those given in very generalised terms in the National 5-Year Plan documents. Any attempt to enunciate such a policy may therefore have its own quota of criticisms, which by themselves are not unwelcome, provided they serve to mould such a policy into a better shape; secondly, a large number of State Government Departments are involved in formulating and executing such a policy. There are, according to one estimate, as many as 12 agencies or departments which are involved in the process. There is no coordinating department in the true sense of the term.<sup>3</sup> This further means there is no single source of information, judgement and decision;

thirdly, financing of all conceivable programmes, arising out of a feasible policy on urban development, is an assorted mechanism. Related to these are the questions of project identification, project preparation and implementation. The quality of action required for these varies from department to department, unit to unit. Availability of skills is also an important question running through them all.

In such a background the present exercise on formulating an urban development policy in West Bengal should be considered as a possible commencement, hopefully, of a series of arguments, for the benefit of the policy makers.

#### *Capital Investment in Urban Areas in West Bengal during the 4th Plan Period*

During the 4th Plan period, capital investment in urban areas in West Bengal for public services will have amounted to something in the order of Rs. 152 crores. Of this amount, Rs.150 crores will have

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<sup>2</sup> "Urban Planning in the Argentine: the Buenos Aires Province Experience" by Rodolfo Makobodzki in the Journal of the Royal Town Planning Institute May, 1972, Vol. 58, No. 5, and *Urbanization: Development Policies and Planning* (UN Publication), op. cit. p. 4.

<sup>3</sup> Till 1964 it was the Development & Planning Department which was given the sole responsibility of, *inter alia*, urban and regional planning and development in the State. In 1964, pursuant to the recommendations of the Town & Country Planning Commission, 1962, Government of West Bengal, Local Self-Government Department, the Town & Country Planning Branch was created under the Development and Planning Department with a senior officer as Commissioner, and *ex-officio* Secretary as the head of that Branch which virtually acted as a full fledged Department having CMPO, Asansol Planning Organisation and Siliguri Planning Organisation under it. Later, it included also the Haldia Planning Cell, and still later it became the administrative department of Durgapur Development Authority, Hooghly River Bridge Commissioners, Calcutta Metropolitan Water and Sanitation Authority (now defunct) and CMDA.

While the T & CP Branch still continues to be the administrative department of CMPO, APO, SPO and DDA, the Public Works Department is the new administrative department of the CMDA and the HRBC, Development and Planning Department is the administrative department of the State Planning Board and other sub-regional development cells like Jhargram, Sundarbans and Hill Areas, apart from directly administering the township projects of Digha and Kalyani. Salt Lake development is looked after by the Irrigation and Waterways Department, and Housing Board by the Housing Department. West Bengal Industrial Infrastructure Development Corporation is looked after by the Commerce and Industries Department.

The Municipal Services Department looks after the 88 municipalities and the Calcutta Corporation. The Board of Trustees of Howrah Improvement Trust has been abolished (by the CMDA Act amendment of 1973) and the CMDA Board is now looking after the HIT work. This is a *de facto* merger although HIT remains a separate legal entity. While previously the Municipal Services Department was the administrative Department for HIT and Calcutta Improvement Trust, it is now the Public Works Department which is so. HIT however continues to have its Trustees and also its separate legal and functional existence.



been invested in the Calcutta Metropolitan District under the auspices of the CMDA. The amount invested outside the Calcutta Metropolitan District, as per estimates of the Municipal Services Department, will only be about Rs. 1.2 crores. This means that roughly 8.3 million people in the Metropolitan District would have received benefits at the rate of nearly Rs. 200 per capita, whereas the approximately 2½ million urban people outside the Metropolitan District will have received benefits in the order of Rs. 5 per capita. Despite the critical nature of the Calcutta situation during the last few years, such a disparity in per capita investment can hardly be justified.

As already mentioned, these later figures are based only on 4th Plan schemes of the Municipal Services Department. If schemes of the Education and Health Departments including Public Health Engineering, are included, the investments made outside the Metropolitan District would be higher. But even if the investment were triple, say Rs. 3.6 to 4 crores, a not unreasonable assumption in the absence of up-to-date figures, the ratio of Calcutta investment compared to other municipal investments would be in the order of 10 : 1. Even this reduced disparity is hardly acceptable.

However, there are several major difficulties in straight comparisons between investment in the Calcutta Metropolitan District and investment in other urban areas of the State. First, Calcutta is a national city whose productivity is critically important to the national economy. A continued decline in the level of Calcutta's public services would have had serious repercussions throughout the

national economy. The same, obviously, cannot be said of the other urban areas in the State of West Bengal. The second is the effect of the enormous size of Calcutta in comparison to other urban areas of the State. This means two things :

- (a) Per capita costs for civic services are higher;<sup>4</sup>
- (b) There is less chance of periodic escape from the pressures of the Calcutta environment than in the smaller urban areas elsewhere.<sup>5</sup>

Nevertheless, a continuation into the 5th Plan of the investment disparities of the 4th Plan may not be equitable, nor economically wise.

### *The Logic of Urban Investment*

Investments in urban areas may be crudely classified into two groups :

The first are economically productive investments in which the location is selected by the entrepreneur (public or private) on the grounds of his view as to the economically most advantageous location. Although Government can influence this decision, Government's power is usually secondary, and where Government exercises power it is usually exercised by a functional department concerned not with a policy of settlement pattern but with the furtherance of the Government's industrial or commercial development policies.

The second are infrastructural investments to serve the first investments noted above and to serve the population directly. Power, water, transport and

<sup>4</sup> It has often been argued in favour of large urban concentrations that the unit cost of investment in urban facilities ultimately works out to be lower than smaller, spatially distinct urban settlements having lesser density. However, some of the internal working papers of CMPO, and now possibly CMDA's experience also, show that it is not really so, at least so far as Calcutta is concerned.

<sup>5</sup> To the extent the physical environment of Calcutta is not conducive to "an urban way of life", there is no prospect of its citizens moving out, even temporarily, to other urban centres in the State since the deficiencies in those places are still worse than those in Calcutta. Hence the difficulty of taking Calcutta and the municipalities on the same plane for comparison.

communications serve both industry and the population. Housing, schools, hospitals serve the latter.

Historically (and currently) these investments have been made in response to a situation that has developed outside any frame of public policy. Urban needs have been treated as a social charge that has arisen out of other government development policies (or lack of policies), private entrepreneurial decision, and individual migration decision.

A position can be taken that these urban investment requirements are too important to be treated as carelessly as they have been to date. They are important for five reasons :

They represent a significant allocation of resources; they should be so located as to maximise their returns in population service terms; they should be so located as to maximise their returns in terms of new industrial and commercial investment; they represent government's determination of a level of public service to be provided to its citizens; they will influence settlement patterns on the landscape for many years to come.

#### *Investment Allocation Between Calcutta & Other Urban Areas*

One of the difficult problems facing the State Government is the question of standards for services to Calcutta as compared with services in the rural areas

of West Bengal. In terms of "equity" perhaps, public services should be equally available to all. But this statement is not wholly correct. For if workers of Calcutta are not healthy, if the economic machine is not served by adequate transport, if the universities are not functioning, then the losses are not Calcutta's alone, but West Bengal's and Eastern India's.

Furthermore, the facilities of Calcutta must serve a much larger population than those resident in the Metropolitan District. As a matter of fact, in sheer quantitative terms the hinterland population<sup>6</sup> served by Calcutta probably exceeds that of any city in the world. In certain fields therefore, for certain services, the standards for Calcutta should be higher than for rural West Bengal. Such services will include hospitals, universities, transport, water and sanitation. On the other hand, standards for primary and secondary education, for general health care including family planning and nutrition may be the same for urban and rural areas alike.

A critical policy question is the level of investment to be met in the Calcutta Metropolitan District and the level to be met in the other urban areas of the State. And a sub question is the identification of the particular smaller areas where investment would best meet the principles set forth above.

<sup>6</sup> The operational definition of Calcutta's hinterland population (1971) would be :

West Bengal	44,312,000
Orissa	21,945,000
Bihar	56,353,000
Assam (included Mizoram)	14,958,000
Manipur	1,073,000
Tripura	1,556,000
Nagaland	516,000
Arunachal	468,000
Meghalaya	1,012,000
24 Eastern District of U.P.	48,248,201

Total 190,441,201

This is the same definition as adopted in the Basic Development Plan of CMPO.

Internationally, there are two schools of thought on the question of investment by city size. One school argues that investments are most productive when made in the large cities.<sup>7</sup> Even if the per capita cost of infrastructural investment is higher in the larger cities, it is argued, the external economics and the agglomerative economics of investments in the large metropolitan areas more than offset the higher cost of infrastructural investments. The other school argues that the lower cost of infrastructural investments in smaller cities, their influence on the economy of the immediate hinterland, the greater ease in achieving an acceptable living environment, and the long run economics of developing a system of medium size cities as compared with one or a limited number of large cities, justifies tilting investment towards the smaller or at least the medium size cities.

Considering the compulsions of the existing conditions in the State one is tempted to advocate a middle road.<sup>8</sup>

The continuation efforts begun in the 4th Plan to renew Calcutta should be carried forward at a greater level of intensity. Even with the 4th Plan investment in Metropolitan Calcutta of Rs. 150 crores, the environmental standard of living for the majority of the population will remain unacceptable. Nor can we expect new commercial and industrial investments without a higher level of public services, not only for the functioning of the new economic activities *per se*, but also to provide a more livable environment for the workers in such new activities. There is the

strong possibility that the combination of new employment opportunities and an improved environment will accelerate migration to Calcutta. However, one should reject the alternative of a declining Calcutta, not on emotional and humanitarian grounds but on economic grounds. It must be repeated that Calcutta is a national city and the economic and cultural capital of Eastern India.

On the other hand, it should be the policy of the Government to increase significantly investment in the smaller urban areas in the State, particularly those around the 100,000 population level. There are several reasons for this :

*First*, the 4th Plan disparity in investment between the Calcutta Metropolitan District and the other urban areas is simply inequitable. This gap must be narrowed.

*Second*, it is the smaller cities of the State which will support more directly the Government's rural development programme. Indeed, without an expansion of the role of the smaller cities the objectives of the rural development programme cannot be achieved.

*Third*, it is argued that the break between traditional, social and economic patterns and modern ones is sharpest in the urban areas. Therefore, a series or system of urban areas related directly to an immediate rural hinterland will tend to generate a more rapid rate of change in that hinterland.

<sup>7</sup> Vide "In brief, there is no basis for the belief that primary or overurbanization *per se* is detrimental to the efficiency goal of economic development. There are good grounds for believing in increasing returns to urban size" William Allonso : "Urban and Regional Imbalances in Economic Development" in Economic Development and Cultural Change, Vol. 17, No. 1, October, 1958.

<sup>8</sup> Vide "However, India's experience does suggest that a middle way is possible. The Government can avoid some of the heavy expense involved in building completely new cities or in overloading megalopolitan areas if it concentrates on expanding selected middle-sized cities ... Naturally, no plan will discriminate completely between the two alternatives since the distribution of energy or raw materials can absolutely dictate a new start," Barbara Ward : The Processes of World Urbanization in Planning of Metropolitan Areas and New Towns, UN Publication: (ST/SDA/65; 67, 1V.5) DP 13-14.

*Fourth*, it is argued that an hierarchy of cities and towns is the most efficient spatial distribution of urban activities. The sector working paper by the World Bank entitled 'Urbanisation' asserts 'neither increased emphasis on rural development, nor on urban development will...produce a panacea. Farms, rural villages market towns, intermediate centres, and major cities form a continuum in which complementary action is required to make the best use of national resources. The dichotomy between urban and rural development is to this extent false.'<sup>9</sup>

The urban pattern in West Bengal and even in Eastern India (which represents the economic region) is highly discontinuous. For instance, next to Calcutta, the next largest city is Durgapur with a 1971 population of 207,000. Durgapur and Asansol together are less than 4000,000. In Eastern India, with a 1971 population of 142 million, the next largest urban area is Patna with a population of 490,000. The gap between the Calcutta Urban Agglomeration's 7031382 is enormous. This means that there is a spatially un-economic distribution of activities because all those activities of a specialised nature which cannot be supported in a city less than say, 600,000 to 1,000,000 tend to gravitate toward Calcutta.

It is theoretically demonstrable that an hierarchy of cities by size and spatial distribution is more economic than a single primate city with a number of roughly equal but very much smaller satellites. And there is some empirical evidence to support this thesis.

But aside from the theoretical point of view there are several pragmatic reasons for closing the gap between Calcutta and its much smaller satellites. One is that infrastructural costs are less in smaller cities. The second is that migration pressures are distributed across a larger number of points. A third is that general

environmental conditions are better in the smaller cities.

### *Industrial Growth Centres*

The purpose of industrial cities is two-fold : First, to exploit the industrial raw material (e.g., coal) of the immediate hinterland or to exploit the industrial demands of the immediate hinterland. Second, to develop self generating industrial cities to take pressures off the Calcutta Metropolitan District. However, one must recognise that the promise of Durgapur has not been fulfilled. An underlying assumption of Durgapur's development was that the major plants would attract a number of smaller related (auxiliary) economic enterprises. This has not come about to any significant degree. Of the many reasons for this, two can be noted here. One is that there was inadequate hard analysis and industrial programming at the planning stage. A second is that it is generally accepted that a city must reach a certain size and mix of industrial activity before it reaches a point of self-generating momentum.

These two points suggest courses of action with implied consequences. One is that thorough and hard-headed analysis must precede industrial programming and investment. The two cities in the State to which this should initially be applied are Durgapur and the new port city of Haldia. The second point is that one must recognise a period of major public investment before one can expect the city to "take off". Although such policy means a time lag in realisation of the multiplier effects of the investment, it is probably economic in the long run as compared to adding such new units to the Calcutta Metropolitan District.<sup>10</sup>

The above observations seem to be extremely relevant to the existing situation where the Government have already

<sup>9</sup> Urbanization, Sector Working Paper, June 1972, p. 28.

<sup>10</sup> See *Basic Development Plan for Calcutta Metropolitan District* (CMPO, 1966), p. 44-47.

identified 8 growth centres (*viz.*, Haldia, Durgapur, Asansol, Farakka, Siliguri, Ramkanei, Kalyani and Kharagpur) in the State for intensive development as a measure to spread industrialisation away from the CMD. An agency called the West Bengal Infrastructural Development Corporation, as a subsidiary of the West Bengal Industrial Development Corporation has also been set up for this purpose. In order that infrastructural development and industrial programming can go hand in hand (bearing in mind that certain industries demand specific infrastructures), the steps indicated above are all the more important.

### *Policy Content*

Thus, an urban development policy for the fifth plan emerges with the following components :

Intensified investment in the Calcutta Metropolitan District (which is larger than the Calcutta Urban Agglomeration as defined in 1971 census) in order to carry forward the resurgence of this national, regional and state city to a point where it can both effectively perform its extraordinarily important economic functions, and provide a tolerable living environment for its more than 8,000,000 citizens.

A programme to move all urban areas of the State towards an acceptable and predetermined per capita standard for public services.

A twin approach towards the location of new industries and/or economic activities—those for which the Metropolis represents the most economically productive location, and those for which it is an equivalent or a less economic location than other urban centres in the State.

Investment in industrial and other supporting commercial activities in those urban centres like Durgapur, Kalyani, Asansol & Haldia where substantial investment in basic industries and infrastructures have already been made.

An Investment Programme to provide supporting services for modernised agriculture, and to meet the demands that modernisation will generate, in the cities to be selected in relation to the lack of major agricultural investment.

The primary goal is a "least cost settlement pattern" compatible with radically increased agricultural and industrial output, income and employment; and with a more equitable distribution of that output, income and employment.

A settlement pattern exists of course in West Bengal, a pattern that is a response to several factors of the past. But settlement patterns change as social, economic and political forces change. Changes in the basic or macro structure occur slowly but within the overall structure, changes at the micro level may occur rapidly.

The task of identifying a "least cost settlement pattern" which is consistent with economic growth objectives is an extremely difficult task in finite quantitative terms for the 5th plan in the State, because of lack of adequate data and expertise at the moment.<sup>11</sup>

### *Conclusion*

The moot point to remember is that urbanisation planning, especially in the West Bengal context, has to be undertaken as a complement to agriculture and industrial planning. Such an acceptable

<sup>11</sup> *Vide* "If the backward regions are believed to contain unexploited opportunities, and there is a general expectation of decreasing returns to capital in any one region, then classical economics would indicate that a distribution of investment proportionate to resources and populations would result in the fastest national growth. However, classical location theory is ill situated to the conditions of developing nations. It is based on perfect knowledge, predictability, mobility of factors, inexhaustible entrepreneurship, and, to a large extent, a fully developed transportation network. None of these conditions obtain in developing countries". William Alonso, *op. cit.*

statement however has the latent danger of being misinterpreted in assuming that agriculture and industrial planning is not only precondition but has also to arrive temporarily before urban planning. Agricultural and industrial planning involve complex and time consuming issues which are mostly dependent on Government of India's overall resource distribution policy and other factors. Meanwhile, while this gets sorted out, the urban problems do not sit idle nor do the urban poor. "Urban mobs, driven to despair by privation, can become so disorderly an element in national life that rational government itself is impeded. Then, as too many areas of the world have demonstrated, between coups, revolts and rebellions, the country can remain decade after

decade, below the threshold of any advance at all. Modernization demands a certain stability, rationality and continuity."<sup>12</sup> In the armoury of State development policies therefore it is just as well that urban development policy remains an important and flexible element which can be suitably tailored to meet such contingencies as may arise out of agricultural and industrial planning and development in the State. The particular context in which I have discussed this issue is that the urban development policy statement would deal more with the physical and spatial aspects having assumed that the overall plan objectives and strategy will have been decided and therefore treated as given.

<sup>12</sup> Barbara Ward, *op. cit.*, p. 17.

# Municipal Revenues in Andhra Pradesh

IN India the composition of the municipal taxes varies from one State to the other; and, by no means the same tax is the leading source of revenue in all the States. In some States, it is the octroi which provides the bulk of revenue while in some the property tax is the major source of revenue. In Southern States of India (except Karnataka) the municipal taxes are more or less similar in composition and revenue importance. Property tax, Profession tax, Tax on carts, carriages and animals and Advertisement tax are the taxes that constitute the autonomous tax sources of the municipalities. Let us give a brief account of the important aspects of each of these taxes with reference to Andhra Pradesh.

## PROPERTY TAX

It is a levy on the lands<sup>1</sup> and buildings in the municipal jurisdictions. This tax is a composition of a tax for general purposes and several service taxes. These service taxes are levied as percentages on the general tax and collected along with it. The revenue from the service taxes

is earmarked to meet the expenditure requirements of the services such as water, drainage, education, lighting, public health and libraries. No rate limits are fixed statutorily except in the case of library cess<sup>2</sup> which is levied at Re 0.04 on each rupee of the tax. The property tax is not properly administered as a result of which a major amount of revenue is sacrificed.

Assessment is undertaken by low paid, untrained and ill-qualified municipal personnel, and even the sanitary inspectors are appointed for this purpose. This is no different from the property tax assessment in America where in a large number of States, the assessors are elected<sup>3</sup> and this has encouraged competitive under-assessment. Even in the Canadian Provinces<sup>4</sup> attempts are made to raise the standards of assessment and qualifications of those engaged in this work. In Northern Nigeria,<sup>5</sup> assessment is performed by the valuation unit of Lands and Surveys Ministry of Northern Nigeria rather than by the local governments; however, undervaluation has been common throughout Nigeria.

\* Research Analyst (Public Finance), Institute for Social and Economic Change, Bangalore.

<sup>1</sup> These are non-agricultural lands. Lands which are less than three-times of the plinth area of the building are exempted from the levy.

<sup>2</sup> Section 4 of the *Andhra Pradesh Public Libraries Act, 1920*.

<sup>3</sup> Allen, E.D. and Brownlee, O.H., *Economics of Public Finance*, (Printice-Hall, New York, 1951), Ch. 19, p. 337. See Netzer, D: *Economics of the Property Tax* (The Brookings Institution, Washington, D.C. 1970), Ch. VIII. See the Report of the *Task Force on Local Government Finance and Organisation* (Wisconsin Legislature, Wisconsin 1969), Also See Lowell C. Harriss, "State and Local Taxation: An Overview", *The Tax Magazine*, (April 1972) pp. 232-41.

<sup>4</sup> Crawford, K.G., *Canadian Municipal Government* (University of Toronto Press, Toronto, 1954), Ch. XVII.

<sup>5</sup> Due John F., *Taxation and Economic Development in Tropical Africa* (The M.I.T. Press, Cambridge, Mass. 1963) Ch. 7, p. 108.

In India, there has been under-valuation of property and the popular representatives on whom, in most cases, lies the burden of finalizing the assessment are not quite able to deal with the complicated problem of valuation of property. Even when the assessment work is done by the officials deputed by the State government, the job is performed unsatisfactorily on account of lack of trained judgement and experience.<sup>6</sup> Further, it has been pointed out that where the assessment has been done with care and competence, its benefits are lost at the appeal stage. In this connection, the *Taxation Enquiry Commission* recommended that no revisional or appellate functions should be vested in Municipal Councillors.<sup>7</sup>

The Taxation Enquiry Commission and the Committee on Augmentation of Financial Resources of Urban Local Bodies<sup>8</sup> have both recommended that the assessment of the properties be undertaken by a Central Valuation Agency which should also be given the appeal power.

#### THE NEED FOR CENTRAL VALUATION AGENCY

The establishment of a central valuation agency at the State level is also a proposal made by experts such as Lady Hicks.<sup>9</sup> In England, the Board of Inland Revenue<sup>10</sup> is in charge of the Valuation programme with the result that equity<sup>11</sup> is assured and the tax payers have the least objection to the judgement of the department. It is desirable to set up a

Valuation Agency at the State level consisting of economists, technical experts and experienced officials from the field of municipal administration. Valuation should be carried on once in every five years. The essence of the proposed arrangement is that the agency can be asked to carry out valuations as rapidly as possible so that the agency will have the same background and price structure.

It is also desirable that our proposed agency should classify the properties on the income and capital value grades, lists of houses and non-agricultural lands both owner-occupied and rented so that it can facilitate further resources. Needless to say that this scientific method is generally followed in the advanced countries like Britain and the U.S.A.—probably, more rigorously in the latter. To take an example, in the U.S.A. the taxable property falls into several classes,<sup>12</sup> such as farm and non-farm—the former includes agricultural and allied objects while the latter residential and non-residential. Again, residential is classified into owner-occupied and rented whereas the non-residential includes industrial and business, etc. Therefore, if we classify our data in this manner, it would serve a variety of purposes: first, it would be easy to levy taxes because of the more readily available data and second, it helps further research in the field of local finance.

Absence of administrative deterrents has encouraged tax delinquency in our

<sup>6</sup> Sriramam, K., "The Property Tax", *Quarterly Journal of Local Self-Government*, Vol. XI (July-Sept. 1968), p. 35.

<sup>7</sup> Report of the *Taxation Enquiry Commission* (Government of India), New Delhi 1953-4, Vol. III, p. 392.

<sup>8</sup> Report of the *Committee on Augmentation of Financial Resources of Urban Local Bodies* (Government of India, New Delhi, 1963), Ch. V, p. 39.

<sup>9</sup> Hicks, Ursula K., *Development Finance: Planning and Control* (Clarendon Press, Oxford, 1965), Ch. 4, p. 80 and 120.

<sup>10</sup> See *New Sources of Local Revenue*: Report of the study group of the Royal Institute of Public Administration, (George Allen & Unwin Ltd., London, 1956), p. 68.

<sup>11</sup> Hicks, Ursula K., *Development From Below: Local Government and Finance in Developing Countries of the Commonwealth*, (Clarendon Press, Oxford, 1961), Ch. 16, pp. 366-7.

<sup>12</sup> Netzer, D., *op. cit.*, Ch. III.



municipalities. Tax Collectors, just as the tax assessors, are low paid officials recruited from the respective local jurisdictions and are not above temptation for bribery. In cases of persistent default, it is necessary to ensure that sufficient officers are available to institute legal action. There is the desirability of establishing purposeful relations between the tax payers and tax administrators. Lady Hicks feels that it is desirable to take very special steps to ensure that the purpose of the levy is understood, and to reassure tax payers that it will be spent on something for which they have real desire (such as education for instance).

The information available indicates that the average percentage of property tax collection to total demand (arrear and current) in the Indian municipalities is 37.6 while it is 74.9 in Andhra Pradesh Municipalities.<sup>13</sup> While the collections under the current demand is not very much encouraging, the collections under the arrear demand is deplorably low in the municipalities selected for this study. On the average, the percentage of arrear collection has amounted to 23.63, 31.69, 34.23, 22.15 and 26.73 while it is 65.78, 83.00, 88.92, 45.03 and 90.97 under the current collections during 1960-61 to 1970-71 (Table I.)

The revenue importance of the property tax to the local bodies has been universally acknowledged. To the American municipalities, it supplied

70.4 per cent<sup>14</sup> during 1965-66, Canada 90.3 per cent<sup>15</sup> during 1960-61.

In India, this tax has contributed 47.6 per cent<sup>16</sup> of the tax revenues of the municipalities during 1960-61. The municipalities in the Calcutta metropolitan District collected nearly 50 to 60 per cent<sup>17</sup> of the tax revenue during 1962-63.

Not in all States, the property tax is a leading source of revenue to the municipalities. For instance, in Haryana,<sup>18</sup> it represents only 11 per cent of the total tax revenues of the municipalities while octroi supplied 82 per cent of the revenue during 1970-71.

In Southern states of India,<sup>19</sup> such as Tamil Nadu, Kerala and Andhra Pradesh, the property tax is a major source of tax revenue. The contribution of this tax to the municipal tax revenues in Andhra Pradesh during 1960-61 was 74.9 per cent. The place of this tax to the municipalities selected on the average is 92.99, 92.99, 93.99, 89.89 and 89.88 per cent in their tax revenues, while its place in the total revenues<sup>20</sup> is 32.2, 35.26, 31.26, 26.82 and 33.78 per cent. (Table II).

The property tax is a potential source of revenue and much of its performance in the municipal budgets depends upon the interest and zeal of the municipalities evince in it. Low standard of tax administration, failure to make objective assessment and lack of revision of the property values have largely

<sup>13</sup> Report of the Committee on Augmentation of...*op. cit.*, Appendix IV, p. 358. Also see Datta, Abhijit and Ranney, David C., *Municipal Finances in the Metropolitan District: A Preliminary Survey* (Asia Publishing House, New York, 1964), Ch. I.

<sup>14</sup> Maxwell, James A., *Financing State and Local Governments* (The Brookings Institution, Washington, 1969), Ch. VI, Table 6-4, p. 129.

<sup>15</sup> Crawford, K. G., *op. cit.*, p. 215.

<sup>16</sup> Report of the Committee on Augmentation of...*op. cit.*, p. 157.

<sup>17</sup> Datta, Abhijit and Ranney, David C., *op. cit.*, Ch. I, p. 32.

<sup>18</sup> Pratap Singh, "Structure of Municipal Taxation in Haryana", *Eastern Economist*, Vol. 59, (March 24, 1972), p. 99, 69-72.

<sup>19</sup> Except Karnataka where octroi is the leading source of municipal tax revenue.

<sup>20</sup> Total revenues consist of: Tax, charges, fines, fees, assigned revenues, loans and grants-in-aid.

impaired the elasticity and productivity of the tax. All these problems can be overcome by establishing Central Valuation Agency at the State level and increasing the tax consciousness among the municipalities.

#### PROFESSION TAX

This tax occupies a place, next only to the property tax, in the municipal budgets of Andhra Pradesh. Being an impost on the local incomes the *Constitution of India* has prescribed a maximum limit of Rs.250 per annum. In a growing economy, the profession tax is more easy to levy because of its elastic tendency to increase automatically with increase in incomes and population.<sup>21</sup> The profession tax would be a dependable source of revenue as industries develop and the emphasis of the occupational structure moves from primary to secondary and tertiary sectors. It will then become a lucrative source of revenue and moreover, nothing can be more effective for rousing tax consciousness than a tax on those engaged in various professions. Secondly, the profession tax is more in the nature of a local income tax and according to Gyanchand it is "personal tax" because it is levied on the personal status of the individual and ensures quick and easy payment.<sup>22</sup>

Apart from the municipalities' failure to assess, levy and collect the profession tax, certain impediments such as (a) non-cooperation from the employers and employees, and (b) low constitutional

limit of the tax have impaired the elasticity of the tax.

In spite of the statutory power to make it obligatory on the part of the employer to furnish the details required in assessing the tax, the response offered is less than satisfactory. Evidences<sup>23</sup> available indicate that the employers withhold their cooperation by claiming that their organization is not a company to come under the purview of this tax. Though such events appear to be minor in importance, they are bound to cause revenue erosion. As regards the individual assessee, the situation is no better. Either they fail to send their income tax returns to the municipality in time or the information furnished by them is less than completely trustworthy.

Statutory ceiling of Rs.250 per annum as the maximum leviable from any single individual in the *Constitution* has been the greatest hurdle to make the tax an elastic source of revenue. It is quite reasonable to increase the limit to Rs. 1,000 from Rs. 250 and make it obligatory on the part of the Income Tax Department of the Union Government to furnish the necessary details on a person's income, etc. The need for the increase of the limit has been emphasised by the expert teams<sup>24</sup> and so far no response has come forth in this direction from the Government of Andhra Pradesh.

Another point which requires to be mentioned now is to make the collection more effective As a measure to help this

<sup>21</sup> Sinha, K.K., *Local Taxation in a Developing Economy*, (Vora & Co., Publishers, (P) Ltd., Bombay, 1968), Ch. IV, pp. 96-7.

<sup>22</sup> Gyanchand, *Local Finance in India*, (Kitabistan, Allahabad, 1947), Lecture I, p. 130. Also see Mishra, M.L., "Local Finance in Developing Economies", *Quarterly Journal of Local Self-Government* (October-December, 1967), p. 121.

<sup>23</sup> Andhra Pradesh Government Order, Miscellaneous No. 1016. Health, Housing and Municipal Administration, Oct. 11, 1963. The issue runs as follows: The Chief Executive Officer of the Andhra Pradesh State Road Transport Corporation has refused to furnish the particulars requested by the Repalle Municipal Commissioner by claiming that the Corporation is not a "Company" to come under the Taxation rules of the Municipal Act.

<sup>24</sup> *Report of the Local Finance Enquiry Committee*, (Government of India, New Delhi, 1951), Ch. IX, p. 178. Also see the *Report of the Taxation Enquiry Commission*, (1953-54), Vol. III.

it would be desirable to make it compulsory on the part of the employers to deduct the tax at the source<sup>25</sup> just as in the case of the personal Income tax of the Central Government. If this is done, the cost of administering the tax can be reduced to some extent.

The profession tax<sup>26</sup> was used to bolster local government's revenues in United States of America. It is one of the fastest growing major source of local revenue in Ohio<sup>27</sup> producing 19.4 per cent in 1957 as against 10.7 per cent in 1951. Its role in the local authorities' tax revenue has considerably varied in different States in India. It is 10.05 per cent in Kerala, 15.60 per cent in West Bengal; 16.05 per cent in Tamil Nadu, but it is only 8.35 per cent in Andhra Pradesh<sup>28</sup> during 1960-61. The role of the tax, on the average, in autonomous tax revenues is 5.71, 4.50, 5.13, 7.77 and 7.72 per cent while it is 2.23, 1.68, 1.68, 2.10 and 2.77 per cent in the overall revenues of the selected municipalities. (Table III).

The present performance of the tax in the municipal budgets does not seem to be satisfactory because of the under-exploitation of this tax. Objective assessment, genuine furnishing of the required details by the employees and self-employed assesseees, raising the tax rate as well as the maximum limit of the tax and collecting the tax at the source are some of the measures which would help strengthen the revenue potentiality of this tax.

#### TAXES ON CARTS, CARRIAGES AND ANIMALS

The future of this tax is almost doubtful in the municipal jurisdictions due

partly to the administrative difficulties involved with its assessment, levy and collection. It would be a good source of revenue to the local bodies in rural areas, such as Panchayati Raj institutions. A Committee appointed by the Government of Andhra Pradesh has recommended that this tax be made an optional<sup>29</sup> levy so that the attention of the municipalities would not be diverted from more lucrative levies such as the property and profession taxes.

#### ADVERTISEMENT TAX

This tax on advertisements other than Newspaper advertisements is best suited to local levy, assessment, collection and use. The rate of levy depends upon the category and size of advertisement. Illuminated, non-illuminated printed advertisements, and those through slides and trailer films are some of the categories of advertisements. The rate of levy (minimum and maximum) has been prescribed by the State Government unlike in the case of other taxes and these rates vary between municipalities.

One of the problems is to locate the origin of certain advertisements. The assessor cannot identify or locate the advertiser during the latter's activity. At the same time, it is administratively difficult to keep track of such advertisements and hence a good number of them are likely to escape the levy. When the Municipality would seek to assess them, it might appear arbitrary and the tax might well act as a disincentive to the occasional advertiser; and the alternative course to be adopted appears to be to take

<sup>25</sup> In spite of the persistent requests by the municipalities, the State Government of Andhra Pradesh has declined to instruct the employers to deduct the tax at the source. Government of Andhra Pradesh Order Miscellaneous No. 1026, Health, Housing and Municipal Administration Department, November 20, 1965.

<sup>26</sup> It is known as Payroll tax or local income tax in the U.S.A.

<sup>27</sup> Sacks, Seymour, et. al., *Financing in a Metropolitan Area: The Cleveland Experience* (Free Press of Glenco, New York, 1961), Ch. VI, pp. 241-5.

<sup>28</sup> Report of the Committee on Augmentation of... op. cit., Appendix IV-A, p. 358.

<sup>29</sup> Report of the High Power Committee on the Municipal Finances of Andhra Pradesh, Ch. V, p. 126.

into account a specified number of times in which the product was advertised.

The second issue connected with the levy is how to get an assured amount of revenue from it. The large-scale advertisements relating to the cinemas, for instance, are not effectively levied in spite of the fact that the cinema exhibitor is expected to get a permit from the municipality concerned.

It would be difficult for the municipalities to levy the tax piecemeal and it is desirable to levy a lump sum tax on such advertisements. But the question of what criterion has to be adopted for the purpose of the levy will prove difficult. To avoid such complexities the basis of the levy could be the average of three preceding years.

Another major problem relates to the effective levy of the tax on advertisements in cinema houses. Film exhibitors reportedly feel that these advertisements do not fall in the tax jurisdiction of a municipality, because they are in private premises—premises which have already been brought under the purview of the property tax. The exhibitors complain that a tax on these advertisements imposes a heavy burden and they argue that in view of the entertainment tax being levied at 35 to 45 per cent, taxing advertisements in cinema houses would be unhealthy for the development of that industry. The arguments of the exhibitors can, however, be countered in the following manner: taxing the advertisement in the premises and levying property tax do not mean double taxation because both are different taxes, secondly, it is wrong to argue that a tax of this kind is a crushing burden and should not be levied as the exhibitor is paying 35 to 45 per cent of the entertainment proceeds as tax. In fact, the new levy is neither on the entertainments nor on the exhibitors, but on the advertisement—an advertisement which is beneficial to the producer of the advertised product, and hence, the levy of the tax may be justified.

It is because of the aforementioned set of arguments that exhibitors in Guntur, Tenali and several other municipal areas in Andhra Pradesh have filed petitions against this levy and a number of cases are due for disposal in the local courts leading to large-scale stoppage of collection of this tax.

## II

### ASSIGNED REVENUES

To meet inter-Governmental financial imbalance, devices such as Tax sharing, revenue-sharing and revenue assignments besides grants, both specific purpose and unconditional, have been built into the constitutions of the federal countries. In India through these devices large amount of revenue is transferred and the Finance Commission which is a trustee of the financial transfers looks into these aspects and thereby proper justice is ensured to the respective States. As far as the local bodies are concerned tax and revenue-sharing are not in vague but the revenue from certain taxes is assigned to the local bodies after deducting a certain percentage of money from that revenue towards the cost of collecting such revenue. The revenue sources that fall generally under this heading are: (1) Entertainments Tax, and (2) Surcharge on the duty on the transfers of immovable properties. The rate of levy and the administration of these sources of revenue are administered by the departments of the State Governments.

### ENTERTAINMENT TAX

Though this embraces all types of entertainments such as horse-races, gambling, betting, cinemas, etc., it is the cinemas which produce almost all the revenue to the municipalities in Andhra Pradesh. Except in Gujarat, in all the states of the Indian Union, the proceeds from this tax are made over to the concerned local bodies after deducting a certain amount of revenue to defray the expenses incurred in collection. The tax is administered by the Commercial Tax Department of the State Governments. The

department requires the exhibitor of the entertainment to bring the salable tickets to its offices and get the stamp of the department affixed on each such ticket.

It is an important source of revenue and its revenue potentiality would tend to grow because of the increasing scope for entertainments. In some states, the revenue assigned to local bodies from this source has shown a large measure of buoyancy while in others it is stationary. In Tamil Nadu it has risen from Rs. 703 lakhs to Rs. 847 lakhs from 1968-69 to 1970-71. During the same period, in Andhra Pradesh, it increased from Rs. 317 lakhs to Rs. 430 lakhs while the amount is stationary at Rs. 9 lakhs in Rajasthan and Orissa during the same period.<sup>30</sup>

Empirical investigation into five municipalities has revealed that this tax would be a promising source of revenue. The increase of revenue is multifold in all these municipalities and its place in the budgets of these municipalities has constituted 15.59, 15.11, 12.25, 10.77 and 7.76 per cent (Table IV).

The tax is reported to have failed to be a more elastic source of revenue. Exhibitors seem to be notoriously unscrupulous to the extent of not seeing much harm in maintaining duplicate sets of tickets, reselling tickets already sold, issuing unnumbered and unstamped tickets, possessing duplicate facsimile of the department, etc. In spite of the measures taken to counter these malpractices (such as issuing numbered tickets, making surprise inspections and periodic verifications), unhealthy practices are reported to have been on the rise in a few municipal towns.

#### SURCHARGE ON THE DUTY ON TRANSFERS OF IMMOVABLE PROPERTY

In India, stamp duties are of two

kinds: Judicial and Non-judicial. The former are levied under the *Court Fees Act 1870*, representing fees payable by persons who have business in Law Courts and Public Offices. The latter is regulated by the *Indian Stamp Act, 1899* and was largely a provincial item under the *Government of India Act, 1919*.

The surcharge is collected in the form of a levy on the stamp duty normally on the face value of the deed of registration. Generally, transactions are classified into five categories, (a) Sale, (b) Exchange, (c) Gift, (d) Mortgage and (e) Lease. In the municipal areas of Tamil Nadu and Delhi the value of levy is 9½ and 7 per cent respectively. In Bihar, however, the rate of levy is as low as 2.40 per cent of the salable value of the property.<sup>31</sup> In Andhra Pradesh, the rate of levy is 5 per cent regardless of the nature of the instrument for registration.<sup>32</sup>

Declaration of the values of the deeds is left to the parties to the transaction. This opens the likelihood of understatement of the property values for evasion of the tax. To escape the burden of the levy, this appears a somewhat common practice in spite of the fact that the person found to defraud the Government is liable to be punished with a fine not exceeding five thousand rupees.<sup>33</sup> This deterrent seems too low to check the unhealthy practice; and in addition to this, not less than fifteen per cent on the understated amount (declared by the municipal official or the Officer of the State Government) should be imposed as punishment and the municipal official made statutorily the competent authority to fix the value depending upon the reasonableness of the price prevailing in the locality and found in the records. This sort of arrangement was emphasized by the Andhra Pradesh

<sup>30</sup> Reserve Bank of India Bulletin, (August 1971), Statement 5, pp. 1296-1301.

<sup>31</sup> Incidence on Housing (National Council of Applied Economic Research, New Delhi, 1967), Ch. 9, p 30. Lands owned by Cooperative Societies in Ahmedabad are exempted from the levy.

<sup>32</sup> Section 116-A of the A.P. (A.A) D.M.S. Act, 1920, Section 136 H.D.M.S. Act, 1956 and Section 120 (b) of the A.P.M.S. Act, 1965.

<sup>33</sup> Section 64 of the Indian Stamp Act, 1899.

Government in its notification<sup>34</sup> but it is yet to come into operation.

The registering official is empowered to probe into the accuracy of the declared values, but rarely appears to use his powers in this respect. In a number of cases, it is reported that corrupt and clandestine practices prevail and the official never objects to the declared values. By tightening the administrative procedures and instituting proper supervision on the officials concerned, something tangible can perhaps be achieved in this field. For achieving good results, the concerned officials must evince zest and honesty on the part of the registering parties is essential.

The surcharge is simple as well as convenient to levy and the facility of collection is due to the reasons explained below. The instruments chargeable and the amount of levy payable in respect of each of them are clearly set forth in the schedule. The canon of certainty is automatically satisfied in a levy of this nature in which the public can make the assessment in the first instance. As no document without the stamp duty is admissible in any Court of law, the field from the surcharge is certain and to that extent the prospects of surcharge are equally. The revenue potentiality of this levy would increase further if the base is widened.

### III

#### COMPENSATION ON PAYMENT

Municipalities in India were authorised to levy specified taxes on the motor vehicles plying in their local jurisdictions. The levies were the wheel tax and the fees on the motor vehicles which use the cart stands for parking purposes. The former has raised a problem; the motor vehicles registered for the purposes of the wheel tax in such municipalities usually operate locally without contributing to the

revenues of the other municipalities. The Government of Andhra Pradesh agreed to pay compensation on the basis of taking the average of three years collections of the municipalities. As far as the compensation payment for the loss of revenue of the cart stand fees was concerned, a per capita payment of Re 0.30 to each municipality was agreed to be paid.

Both the bases adopted are stationary and unrelated to both the fiscal needs of local authorities and the revenue obtained from the levy. The State should note that had it not confiscated the taxing power of these local bodies, the latter would collectively have received the total revenues for their own use. In principle, compensation must be related necessarily to the revenue sacrifice incurred by each local body to ensure fairness and revenue adequacy. In the absence of the data required to calculate the growth of revenue from this source in each local jurisdiction, our ability to work out the extent of revenue-sacrifice is very much limited.

It is surprising that the Government of Andhra Pradesh is indifferent to the problem in spite of the tremendous increase in the revenue from the motor vehicles tax (Col. 3 of Table V).

This sort of injustice is done to all local bodies including municipalities in all the States of India. For instance, in West Bengal, during the decade ending 1961-62, the receipts increased from Rs 81.46 lakhs to Rs 505.80 lakhs while the total compensation to local bodies remained stationary at Rs. 4.5 lakhs. In Mysore State, the revenue rose from Rs. 56.80 lakhs to Rs. 570.00 lakhs during the same period while the compensation was more or less stationary at Rs. 6.91 lakhs<sup>35</sup>. The revenue from the tax showed a measure of growth in Andhra Pradesh

<sup>34</sup> Government of Andhra Pradesh Memorandum No. 3240-G/72-1 Revenue (G) Department, June 7, 1972.

<sup>35</sup> *Report of the Rural Urban Relationship Committee*, (G.O.I., New Delhi, 1966), Vol. I, Ch. IX p. 101.

also where it rose from Rs 380 lakhs to Rs. 1477 lakhs while the compensation payment (exclusively to municipalities) showed a mild rise from Rs. 12.86 to Rs. 22.48 lakhs during 1960-61 to 1969-70 (Col. 5 of Table V).

A fair formula for the compensation payment is to be evolved so that the revenues of the municipalities are augmented and revenue loss removed. Calculating the compensation payment from a given base year would seem justifiable because it ensures a rise in receipts in view of the increasing tendency of the motor vehicles tax revenue. (Col. 3 of Table V).

Let 1960-61 be taken as the base year where the composition of the compensation payment is 3.38 per cent in the total yield from the motor vehicles tax. If this base year is adhered to, the total compensation would rise from Rs. 12.86 lakhs to Rs. 49.92 lakhs (Col. 7 of Table V). During a period of 10 years (from 1960-61 to 1969-70) the present compensation has supplied an amount of Rs. 1,76,74,57, but our proposed formula would supply Rs. 2,63,51,357. Thus, a loss of Rs. 86,76,782 is suffered by the municipalities in Andhra Pradesh.

It would seem reasonable to give a certain percentage from a given year as compensation from the yield of the motor vehicle tax. An advance may be paid and adjustment made when data on the actual amounts of revenues are available.

#### IV

##### GRANTS-IN-AID

Solving problems of inter-governmental financial relations through grants-in-aid is a universal phenomenon. The need for grants to the local authorities is greater than for superior layer Governments (States) because their expenditure commitments have come to exceed their resources and the superior layer Governments are unwilling to relinquish control over any of their taxes. Moreover, in a developing country, during the process

of development, centralization of tax system and decentralization of administration take place. This centralization is bound to involve the take-over of lucrative and elastic sources of revenue while those revenues which are local in base and origin are left in the hands of the local authorities. As long as these sources of revenue allow for a rise in the provision of local services (quality as well as quantity), the local authorities need not show concern, and can go ahead with their developmental plans; but, unfortunately their revenues are inelastic in relation to their needs; this certainly has a tendency to enlarge the gap between resources and needs. This gap has to be narrowed down by providing more finances and thus these lower layer authorities should be enabled to participate in the overall developmental programmes of the nation.

The importance of the grants has to be recognized as a means of encouraging certain services. Not all the regions pay adequate attention to selected local services, and grants help the establishment or standardization of such services. Thus the growing awareness of the need for introducing more and better local services and of the widely acknowledged inability of local authorities to meet their financial requirements, have been the factors responsible for increasing the importance of grants from higher tier to lower tier Governments.

In India, generally grants are awarded to local bodies for the promotion of education, medical and health services, water and drainage and roads. The amount of grant or the percentage composition of grant in each service varies in each State and also depends upon the type of the local body. The grants awarded to the municipalities in Andhra Pradesh have registered fluctuations and this is evident from Table VI. For a selected number of municipalities, the composition of grants has, on the average, varied between 14.53 to 26.85 per

cent in their overall revenues, while it supported between 20.26 to 33.57 per cent of their current expenditures. While the release of grants to some municipalities is steady, to some it is lamentably fluctuating (Table VII), because of administrative formalities and several anomalies.

In the light of this analysis, let us now analyze grants-in-aid with respect to some civic services.

### *Education*

Municipal education consists of elementary and secondary types. In respect of elementary education the education cess is levied as a percentage on the general property tax and a 50 per cent grant is related to that, also a teaching grant under proviso to Section 37 (2) of the *Elementary Education Act, 1920*. In respect of secondary education, the Government of Andhra Pradesh is awarding a teaching grant of 50 per cent of the net approved expenditure on classes opened prior to 1965-66 and a 100 per cent grant to new classes opened from 1965-66. The 50 per cent grant has widened the gap between municipal expenditure and revenues. While secondary schools administered by the Zilla Parishads and municipal schools in Telangana area are entitled to full grants there is no reason why municipalities in Andhra area should not be accorded the same treatment.

While this is the case with composition and adequacy of grants, slackness in releasing the grants has resulted in arrears accumulation and resource diversion in municipal budgets. Though the statistics available indicate a rise in the education grants for municipalities in Andhra Pradesh, the pattern is highly fluctuating (Table VIII) which is not conducive for the development of this service.

### *Public Health*

The grants for medical and health services take two forms:

(a) maternity and child welfare with

33½ per cent of the total expenditure on this item; and (b) anti-larval and malarial measures with 25 per cent of the total expenditure of this item. The accumulation of arrears has impeded the efficient performance of these services. It is also noted that for want of adequate finances some of the municipalities are reluctant to take up these services.

### *Water and Drainage*

Not all the municipalities in Andhra Pradesh are provided with capital grant and these are restricted to the grade III municipalities. Whether grants or loans are desirable to meet the cost of developing these schemes is a question to be considered. Essentially, the water and drainage schemes are service-oriented and the question of deriving revenue is a secondary criterion. To develop these schemes, loans have to be advanced. If dependence is mainly on loans for their development, it would make service charges intolerably heavy for the poorer authorities. Under these circumstances, the State should adjust the loans/grant ratio to the fiscal capability of each authority. It is important that the ratio should be less for a poorer authority than for a rich one if service charges are not to constitute an intolerable burden and if the State's priorities are to be translated into practice.

### *Roads*

Awarding grants for the development of roads is a practice in some States in India; but, in Andhra Pradesh, loans are resorted to by the municipalities. Provision of capital grants is desirable. As this project does not involve monetary return, municipalities do not appear to be interested in developing this project.

There is need to improve the grants-in-aid system and an appropriate grants system tends to reduce regional disparities in civic services. To improve the efficiency of the system, it would be necessary to avoid piecemeal and *ad hoc* grants system. An appropriate grants system, as opined



by Lady Hicks<sup>36</sup> requires periodical review and has to be kept up-to-date — a condition that should not be lost sight of in order to suit the requirements of individual municipalities.

## V LOANS

Autonomous municipal revenues are inelastic, yet the need to incur more expenditure on capital projects such as, water, sewerage, remunerative enterprise is devoutly wished for. The alternative left is borrowing, but in the absence of independent borrowing powers the municipalities are required to borrow from the State Government.<sup>37</sup> If the amount of loan exceeds Rs.25 lakhs, the consent of the Union Government is required<sup>38</sup>. The State Government reserves the right to amend the estimates submitted by the municipalities and even refuse loans altogether.

At present, the Andhra Pradesh Government is not providing enough loans to the municipalities. In addition to this, it is not readily coming forward to guarantee loans from the public lending agencies. The result has been a drastic limitation of the supply of loans to municipalities. The *Taxation Enquiry Commission* (1953-54) opined that the State Governments must come forward to make available considerable capital finance in the form of loans to the municipalities besides enabling them to secure substantial funds from the public lending agen-

cies. The Commission further stated that even this would not suffice for the smaller municipalities which must be provided by the State Governments with loans in view of their limited autonomous sources. Besides, the States must pursue a phased programme of assistance related to the needs and priorities of different municipalities in their respective areas. More loans are essential (in the absence of internal surpluses) and this can be achieved if the State's financial position is improved.<sup>39</sup>

To meet the demand for a required level of capital formation and to increase the pace of capital formation, the establishment of the "Municipal Finance Corporation"<sup>40</sup> was favoured by some Committees. The wider policy of this Corporation, as stated by the Committees should be to accelerate the national and social development of the country. It would assess independently (or render assistance in assessing) the capital requirements of the municipalities in each State. This will enable the local bodies to share the benefits of new policy and pursue a much quicker policy of development. Similar institutions known as Local Loan Boards were instituted by the Governments of Kenya and Uganda on the basis of the British Local Loans Board.<sup>41</sup>

The initial capital<sup>42</sup> of the municipal finance corporations could be supplied by the State Governments, the Reserve

<sup>36</sup> Hicks, Ursula K., *Development From Below*, p. 430.

<sup>37</sup> The municipalities in Andhra Pradesh borrow loans from the public lending agencies such as Life Insurance Corporation of India, State Bank of India and Cooperative Central Bank with the approval of State Government. The State Government stands as guarantor : Section 131 of *Andhra Pradesh Municipalities Act, 1965*.

<sup>38</sup> Section 3 (1) of the *Local Authorities Loans Act, 1914*.

<sup>39</sup> For a detailed analysis on these aspects, see Hicks Ursula K., "Current Problems of Federal Finance in India and Some Comparisons with Australia", *Public Finance*, Vol. XXIII, No.3, (1968), pp 221-38.

<sup>40</sup> Report of the Committee on Augmentation of...*op. cit.*, Ch. VIII, p. 68. Also see the Report of *Rural-Urban Relationship Committee*, Vol. I, pp. 107-8.

<sup>41</sup> Hicks, Ursula K., *Development from Below*, pp. 406-7.

<sup>42</sup> For a detailed analysis on these aspects, see Dutta, Abhijit, *Urban Government, Finance and Development*, (World Press Private Ltd., Calcutta, 1970), Ch. IX.

Bank of India, the Life Insurance Corporation of India, and the Commercial banks. It should be run on commercial lines and have the power to issue debentures under the guarantee of the Union Government.<sup>43</sup>

#### MASTER PLANS

Every municipality should prepare a master plan, and its corollary a capital budget. The long range capital plans of a municipality can be formulated in the light of the current and probable needs and the list of priorities prepared on the basis of the relative urgency from the list. Non-essential items can be eliminated from the list. Planning may have to be on five year basis. Each year the capital budget may necessitate revisions of the long range plan in the light of the current needs.<sup>44</sup> In brief, it is not only the flow

of loans but also the manner in which the long range plans are prepared and funds utilized that lie combinedly at the heart of sound capital finance.<sup>45</sup>

#### CONCLUSIONS

There is scope for augmenting municipal revenues. What appears to be wanted is sufficient interest and zeal in tapping the available sources of revenue. Taxes constitute a promising source of revenue and a large bulk of revenue is sacrificed for want of better administration. With imaginative changes in the administration of major taxes as already suggested, the municipalities can derive substantial revenue. Suggestions regarding revenue assignments, grants in aid, and capital planning, if pursued properly may help the municipalities to get out of the current financial rut.



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<sup>43</sup> Report of the *Rural-Urban Relationship Committee*, p. 108.

<sup>44</sup> For a discussion on similar aspects, see Froomkin Joseph, "Fiscal Management of Municipalities and Economic Development" in Richard Bird and Oliver Oldman (Eds.): *Readings on Taxation in Developing Countries* (The Johns Hopkins Press, Baltimore, 1967), Selection 32, pp. 418-9.

<sup>45</sup> Brown, Ray E. "Financing Capital Improvements", in Charles M. Kneier and Gunj Fox (Eds.) *Readings in Municipal Government and Administration* (Rinehart and Co., N.Y., 1959), Ch. XV, pp. 428-31.

TABLE I

COLLECTION OF PROPERTY TAX AS A % OF ARREAR AND CURRENT TAX DEMAND IN SELECTED MUNICIPALITIES

Year	Guntur		Tenali		Machilipatnam		Narasaraopet		Peddapuram	
	Arrear	Current	Arrear	Current	Arrear	Current	Arrear	Current	Arrear	Current
1	2	3	4	5	6	7	8	9	10	11
1960-61	27.74	81.07	11.13	92.56	29.70	85.35	42.87	92.38	25.14	98.42
1961-62	23.66	60.25	18.71	87.76	21.89	90.13	14.82	14.58	4.80	85.66
1962-63	49.66	60.11	81.49	84.36	29.07	84.93	34.92	13.27	21.90	98.26
1963-64	9.85	56.76	29.20	84.65	27.84	91.96	37.95	25.38	8.81	97.97
1964-65	9.57	58.61	20.56	80.77	27.12	93.35	17.80	34.62	49.27	93.13
1965-66	8.42	72.26	30.66	79.03	22.43	91.42	11.19	37.63	35.47	90.18
1966-67	7.84	39.50	28.50	73.62	27.93	76.57	7.86	49.94	38.21	84.47
1967-68	53.05	77.47	43.43	81.87	49.08	91.99	17.87	67.98	23.30	96.37
1968-69	24.38	75.30	28.66	82.15	47.61	95.61	10.31	53.25	26.20	82.74
1969-70	22.18	76.47	24.47	82.76	39.70	88.32	25.92	61.35	34.23	82.51
Average	23.63	65.78	31.68	83.00	34.23	88.92	22.15	45.03	26.73	90.97

TABLE II

PROPERTY TAX AND ITS ROLE IN

Year	<i>Guntur</i>			<i>Tenali</i>		
	Receipts from property tax (Rs. lakhs)	Col. 2 as % tax of revenue	Col. 2 as % of overall revenues	Receipts from property tax (Rs. lakhs)	Col. 5 as % of tax revenues	Col. 5 as % of overall revenues
1	2	3	4	5	6	7
1960-61	16.54	89.25	43.00	7.72	95.11	40.39
1961-62	11.72	83.09	37.71	8.43	95.23	45.02
1962-63	18.25	97.38	40.43	8.55	96.06	36.49
1963-64	13.56	94.05	32.96	8.46	95.38	39.34
1964-65	14.53	91.85	25.56	7.70	95.31	22.80
1965-66	16.60	95.87	34.24	8.27	95.38	33.40
1966-67	9.30	95.08	22.75	8.73	95.31	28.07
1967-68	21.38	92.42	33.38	9.36	85.13	37.59
1968-69	17.40	94.49	28.00	9.45	92.68	36.16
1969-70	17.86	96.08	22.89	8.87	91.62	26.84
1970-71	19.99	96.30	32.54	15.69	95.62	41.71
Average		92.99	32.22		93.99	35.26

Source : Compiled from the primary data furnished by the municipal institutions.

# THE FINANCES OF SELECTED MUNICIPALITIES

<i>Machilipatnam</i>			<i>Narasaaorpet</i>			<i>Peddapuram</i>		
Recei- pts from pro- perty tax (Rs. Lakhs)	Col. 8 as % of tax re- vues	Col. 8 as % of over- all re- vues	Recei- pts from pro- perty tax (Rs. Lakhs)	Col. 11 as % of tax re- vues	Col. 11 as % of over- all re- vues	Recei- pts from pro- perty tax (Rs. Lakhs)	Col. 14 as % of tax re- vues	Col. 14 as % of over- all re- vues
8	9	10	11	12	13	14	15	16
6.13	94.43	24.80	1.89	89.20	38.02	1.04	88.75	24.55
6.58	95.40	29.13	0.47	92.36	12.53	1.00	87.45	37.98
7.87	95.29	36.28	1.41	93.80	28.57	1.12	87.88	36.38
8.83	95.84	34.95	2.49	93.21	31.02	1.09	19.58	32.70
7.94	95.29	35.72	2.10	89.87	30.17	1.31	91.45	42.00
7.71	94.09	30.43	2.06	88.03	12.11	1.28	91.38	34.82
8.71	94.85	33.32	2.81	88.51	30.81	1.29	91.30	37.22
8.01	92.15	31.52	4.76	93.41	26.93	1.70	38.81	39.07
8.23	91.22	29.88	3.62	89.97	18.50	1.32	90.23	29.31
9.16	91.30	26.91	5.54	94.84	31.21	1.43	89.97	30.69
9.66	91.83	30.98	5.07	96.16	35.11	1.32	91.87	26.41
	93.79	31.26		89.89	26.82		89.88	33.78

**TABLE III**  
**PROFESSION TAX AND ITS**

Year	<i>Guntur</i>			<i>Tenali</i>		
	Recei- pts from profession tax (Rs. lakhs)	Col. 2 as % of tax revenue	Col. 2 as % of over- all reve- nues	Receipts from profes- sion tax (Rs. lakhs)	Col. 5 as % of tax revenue	Col. 5 as of over- all revenues
1	2	3	4	5	6	7
1960-61	1.84	9.96	4.80	0.34	4.20	1.78
1961-62	2.23	15.83	7.18	0.31	3.33	1.65
1962-63	1.52	7.63	3.32	0.33	3.77	1.44
1963-64	3.61	4.63	1.48	0.34	3.92	1.61
1964-65	0.54	3.55	0.95	0.27	3.36	0.79
1965-66	0.47	2.72	3.97	0.35	4.15	1.45
1966-67	0.24	2.49	2.59	0.33	3.62	1.06
1967-68	1.49	6.44	2.32	0.57	5.26	2.32
1968-69	0.74	4.00	1.19	0.63	6.25	2.44
1969-70	0.52	2.81	0.75	0.73	7.54	2.21
1970-71	0.66	3.18	1.07	0.63	3.86	1.68
Average		5.71	2.23		4.50	1.68

# CONTRIBUTION TO SELECTED MUNICIPALITIES

<i>Machilipatnam</i>			<i>Narasaraopet</i>			<i>Peddapuram</i>		
Receipts from profession tax (Rs. lakhs)	Col. 8 as % of tax revenue	Col. 8 as % of overall revenues	Receipts from profession tax as (Rs. lakhs)	Col. 11 as % of tax revenue	Col. 11 as % of overall revenues	Receipts from profession tax as (Rs. lakhs)	Col. 14 as % of tax revenue	Col. 14 as % of overall revenues
8	9	10	11	12	13	14	15	16
0.28	4.40	1.15	0.19	9.07	3.86	0.09	8.17	2.62
0.23	3.44	1.05	0.13	20.22	3.50	10.00	8.62	3.74
0.31	3.75	1.45	0.06	4.20	1.28	10.00	7.59	3.18
0.28	3.27	1.19	0.12	4.56	1.51	8.00	6.84	2.49
0.31	3.76	1.41	0.19	8.26	2.77	9.00	6.03	2.77
0.40	4.89	1.58	0.21	9.31	1.28	9.00	6.31	2.40
0.39	4.79	1.50	0.30	9.49	3.30	10.00	6.82	2.80
0.40	6.44	2.20	0.25	4.95	1.42	12.00	8.69	3.82
0.66	7.33	2.40	0.31	7.92	1.63	11.00	7.87	2.55
0.72	7.19	2.12	0.25	4.43	1.46	11.00	6.95	2.37
0.76	7.20	2.42	0.16	3.12	1.13	10.00	7.33	2.10
	5.13	1.68		7.77	2.10		7.72	2.77

TABLE IV

THE REVENUE CONTRIBUTION OF THE ENTERTAINMENTS TAX AND ITS PLACE IN THE FINANCES OF THE  
SELECTED MUNICIPALITIES

Year	Guntur		Tenali		Machilipatnam		Narasaraopet		Peddapuram	
	Receipts from tax (Rs. lakhs)	Col. 2 as % of overall revenues	Receipts from tax (Rs. lakhs)	Col. 4 as % of overall revenues	Receipts from tax (Rs. lakhs)	Col. 6 as % of overall revenues	Receipts from tax (Rs. lakhs)	Col. 8 as % of overall revenues	Receipts from tax (Rs. lakhs)	Col. 10 as % of overall revenues
1	2	3	4	5	6	7	8	9	10	11
1960-61	3.24	8.43	1.87	9.78	1.47	12.56	0.38	7.66	0.16	4.41
1961-62	4.24	13.66	1.26	6.72	1.64	11.61	0.50	13.30	0.13	5.05
1962-63	4.36	9.51	1.27	5.41	1.82	10.71	0.50	10.19	0.15	4.82
1963-64	4.85	11.79	2.22	10.32	1.94	6.51	0.68	8.54	0.16	4.70
1964-65	5.51	9.69	2.32	6.86	2.06	12.94	0.90	12.93	0.18	5.67
1965-66	6.82	14.06	3.26	13.16	2.62	11.34	1.19	6.97	0.18	4.98
1966-67	9.60	23.48	4.74	15.24	3.78	14.48	1.56	17.09	0.22	6.47
1967-68	11.31	17.66	5.52	22.18	3.90	12.63	1.62	9.16	0.42	13.55
1968-69	12.56	20.21	6.81	33.80	4.87	15.61	1.79	9.12	0.43	9.42
1969-70	15.48	22.00	7.59	22.96	4.90	13.11	1.99	11.12	0.70	14.95
1970-71	15.76	25.65	7.42	19.32	7.34	23.53	1.78	12.31	0.70	13.95
Average		15.89		15.11		12.25		10.77		7.76

Source : Compiled from the primary data furnished by the municipalities.



TABLE V

## GROWTH OF MOTOR VEHICLES TAX REVENUE AND STATIONERY COMPENSATION

Year	Growth of motor vehicles in Andhra Pradesh	Receipts from the tax to the State Government of Andhra-Pradesh* (Rs. Lakhs)	Annual Increase (%)	Compensation paid to the municipalities in Andhra-Pradesh** (Rs. Lakhs)	Col 5 as % of col. 3	Potential loss of revenue to the municipalities in Andhra Pradesh (Rs. Lakhs)
1	2	3	4	5	6	7
1960-61	32,254	380.78	—	12,86,461	3.38	12,86,461
1961-62	N. A.	356.68	(—) 6.33	12,86,461	3.60	12,05,578
1962-63	N. A.	332.14	(—) 6.88	12,86,461	3.87	11,22,633
1963-64	N. A.	681.17	105.09	12,86,461	1.88	23,02,355
1964-65	68,912	647.29	(—) 4.97	12,86,461	1.98	21,87,840
1965-66	79,073	832.88	28.67	22,48,454	2.69	28,15,134
1966-67	85,305	831.38	(—) 0.18	22,48,454	2.70	28,10,064
1967-68	88,904	945.11	13.68	22,48,454	2.37	31,94,472
1968-69	90,468	1,312.00	38.82	22,48,454	1.17	44,34,560
1969-70	1,07,307	1,477.00	12.58	22,48,454	1.52	49,92,260

Source: \* *Statistical Abstracts of Andhra Pradesh* (Annual) (Government of Andhra Pradesh, Hyderabad)

\*\* Schedule VIII (Section 123) Part A, B and C of the *Andhra Pradesh Municipalities Act, 1965*.

TABLE VI  
GRANTS-IN-AID TO ANDHRA PRADESH MUNICIPALITIES

Year	(Rs. in lakhs Amount of Grants)
1961-62	46.60
1962-63	85.00
1963-64	70.91
1964-65	59.68
1965-66	83.19
1966-67	65.09

Source: *Annual Reports of the Appropriation Amount*, (Government of Andhra Pradesh, Hyderabad, 1961-62 to 1966-67).

TABLE VII

## GRANT-IN-AID AND THEIR COMPOSITION IN THE

Year	Guntur			Tenali		
	Amount of grant (Rs. lakhs)	Col. 2 as % of overall revenues	Col. 2 as % of current expenditure	Amount of grant (Rs. lakhs)	Col. 5 as % of overall revenues	Col. 5 as % of current expenditure
1	2	3	4	5	6	7
1960-61	4.05	10.53	17.55	4.22	22.07	39.21
1961-62	3.12	10.05	12.49	5.15	27.53	41.16
1962-63	5.98	13.02	20.02	4.53	19.36	34.07
1963-64	5.98	14.54	21.15	6.48	30.14	49.25
1964-65	7.05	12.40	25.43	7.11	21.05	49.72
1965-66	9.15	18.87	26.56	4.05	16.35	24.19
1966-67	7.05	17.24	20.10	5.52	17.76	28.82
1967-68	10.90	17.02	22.78	4.64	18.62	23.47
1968-69	8.21	13.22	16.80	4.07	15.58	18.06
1969-70	10.64	14.23	20.01	9.46	28.62	38.49
1970-71	11.51	18.75	20.00	4.37	11.63	14.52
Average		14.53	20.26		20.79	32.81

Source : Compiled from the primary data furnished by the municipal institutions.

# BUDGET OF SELECTED MUNICIPALITIES

<i>Machilipatnam</i>			<i>Narasaraopet</i>			<i>Peddapuram</i>		
Amount of grant (Rs. lakhs)	Col. 8 as % of overall revenues	Col. 8 as % of current expenditure	Amount of grant (Rs. lakhs)	Col. 11 as % of overall revenues	Col. 11 as % of current expenditure	Amount of grant (Rs. lakhs)	Col. 14 as % of overall revenues	Col. 14 as % of current expenditure
8	9	10	11	12	13	14	15	16
3.55	14.35	18.76	0.85	17.23	21.32	1.45	34.19	55.83
4.15	18.40	27.11	1.30	34.63	27.34	0.59	22.61	23.97
6.89	31.78	40.95	1.36	27.53	29.65	0.55	18.06	19.53
7.76	32.93	47.58	1.87	23.35	32.98	1.05	31.30	35.03
7.17	32.25	42.41	1.78	25.52	33.82	0.64	20.43	21.32
7.82	30.90	36.90	0.87	5.12	12.94	0.97	26.38	28.01
7.56	28.94	34.63	1.64	17.94	22.26	0.94	27.24	27.56
6.91	27.21	30.78	0.95	5.39	10.43	0.45	14.29	14.79
8.34	30.31	32.56	3.07	15.70	32.32	1.42	31.50	31.75
11.50	33.79	40.90	1.94	10.93	17.36	1.06	22.85	23.34
4.53	14.51	16.70	1.86	12.88	17.33	1.30	25.80	27.38
	26.85	33.57		17.83	23.38		25.01	27.72

TABLE VIII  
EDUCATION GRANTS TO MUNICIPALITIES IN ANDHRA PRADESH

<i>Year</i>	(Rs. in lakhs) <i>Grants</i>
1967-68	111.54
1968-69	117.05
1969-70	161.3
1970-71	188.76
1971-72	161.46

*Source* ; Compiled from the Primary data furnished by the Directorate of Municipal Administration, Hyderabad.

## Recent Local Government Reform in England

THERE has been considerable rethinking on the reorganisation of the areas and structure of local government in United Kingdom over the last twenty five years. The first major step was the replacement of the London County Council by the Greater London Council with a wider extended area regrouped in about 32 metropolitan second tier units with population varying from 150,000 to about 350,000. These units are large enough to look after most of the local services while a minimum range of area-wide functions are performed by the Greater London Council.

The rest of England is divided into 79 county borough areas and 45 counties. The county boroughs are cities and towns with towns with independent unitary municipal administration dealing with all functions within their jurisdiction. As regards the counties, they are composite areas each having a County Council and second tier units, known as boroughs, urban districts and rural districts. There are in all 227 such boroughs, 449 urban districts and 410 rural districts. These are disparate units varying widely in their size and resources as also in the range of functions performed. The result is that the demarcation of functions between the County Council on the one hand and the boroughs and urban and rural districts on the other varies considerably. The rigid boundaries between the counties and the boroughs fail to take due care of

problems of urban growth overspelling local jurisdiction.

The Royal Commission on Local Government in England (Maud Commission) reporting in 1969 identified the following four faults:

1. Local government areas do not fit the pattern of life and work in modern England. The gap will widen as social, economic and technological changes quicken.
2. The fragmentation of England into 79 county boroughs and 45 counties, exercising independent authority and dividing town from country, has made the proper planning of development and transportation impossible. The result has often been an atmosphere of hostility between the county boroughs and the counties, and this has made it harder to decide difficult questions on their merits.
3. The division of responsibility within each county between the County Council and a number of county district councils, together with the position of county boroughs as islands in the counties, means that services which should be in the hands of one authority are split up among several. This greatly complicates the work of meeting comprehensively the

\*Director, (CMA), IIPA, New Delhi.

different needs of families and individuals.

4. Many local authorities are too small, in size and revenue, and in consequence too short of highly qualified manpower and technical equipment, to be able to do their work as well as it could and should be done.

The Commission noted that there were serious failings in local government performance and the complex local government system was often irrelevant and the Central government as well as the people doubt the ability of local authorities to deal effectively with local affairs. The Commission set out some general principles to meet the situation as follows :

1. Local authority areas must be so defined that they enable citizens and their elected representatives to have a sense of common purpose.
2. The areas must be based upon the interdependence of town and country.
3. In each part of the country, all services concerned with the physical environment (planning transportation and major development) must be in the hands of one authority. Areas must be large enough to enable these authorities to meet the pressing land needs of the growing population, and their inhabitants must share a common interest in their environment because it is where they live, work, shop and find their recreation.
4. All personal services (education, personal social services, health and housing), being closely linked in operation and effect, must also be in the hands of one authority, as strongly recommended by the report of the Seeborn Committee.

5. If possible, both the "environmental" and the "Personal" groups of services should be in the hands of the same authority, because the influence of one on the other is great and likely to increase.
6. Authorities must, however, be bigger than most county boroughs (and all county districts) are at present, if they are to command the resources and skilled manpower which they need to provide services with maximum efficiency.
7. The size of authorities must vary over a wide range if areas are to match the pattern of population. But a minimum population is necessary. This pointed to a minimum of around 250,000.
8. At the other end of the scale, authorities must not be so large in terms of population that organisation of their business becomes difficult. A population of not much more than 1,000,000 should be the maximum for the personal services.
9. Where the area required for planning and other environmental services contains too large a population for the personal services, a single authority for all services would not be appropriate; and in these parts of the country, responsibilities must be clearly divided between two levels and related services kept together.

Applying the above principles the Commission arrived at the following main recommendations in respect of areas and structure of local government in England :

- (a) England (outside Greater London Council) should be divided and re-grouped into 61 new local government areas replacing all other local authorities.

- (b) Of these *three* large conurbations around Birmingham, Liverpool and Manchester should be metropolitan areas with a two tier system—viz., metropolitan authority dealing with planning, transportation and major development activities; and a number of second tier metropolitan district authority (7 in Birmingham, 4 in Liverpool and 9 in Manchester areas) whose key functions would be education, health and personal social services.

- (c) All the remaining local authorities were proposed to be re-grouped into 58 unitary areas with a single authority responsible for all functions.

The Labour Government had, in a White Paper issued in February, 1970, accepted the Commission's recommendations with some minor modifications. But the successor Conservative Government introduced far-reaching changes in the proposals in their White Paper of February, 1972 and the new Local Government Act, 1972 was adopted by the British Parliament. The Act comes into force from April, 1974. The broad decisions and variations are given below :

- (a) The White Paper and the new Act accepted the Maud Commission recommendations in respect of densely populated large conurbations but added three more areas around New Castle (Tyneside), Leeds (West Yorks) and Sheffield (South Yorks) making a total of six Metropolitan Counties with a total of 34 lower tier metropolitan districts responsible for education and personal social services and all local government functions except those which require to be planned and administered over the wide area of the Metropolitan County.

- (b) The rest of the areas will have 39 counties. Some existing small counties will disappear and some will lose substantially to the metropolitan areas. Otherwise, the new counties will broadly follow existing boundaries. On the other hand, the independent County boroughs will lose their separate identity and would become county districts like other boroughs within the County frame. All such bigger cities and towns will remain district entities as county districts. Smaller towns are to be joined up with the adjoining rural areas and new larger county districts formed by amalgamating rural districts. All these would be the second tier authorities within the County. The upper tier County Governments will have wider powers as compared to the metropolitan Counties.

Local Government reform in England is thus directed towards creating larger viable local authorities side by side with smaller local bodies appropriate to the functions to be performed. This is proposed to be achieved by :

- (a) Doing away with the distinction between town and county; or rather emphasizing their interdependence by regrouping of local government areas;
- (b) By introducing a two tier system of larger area authorities as the upper tier and fewer re-organised viable lower tier authorities with appropriate division of functions and;
- (c) By recognising the differing character of the predominantly urban conurbations—the six metropolitan Counties—and the mixed 39 rural urban Counties, with their varying problems, differing traditions and technical competence.

A statement of functional distribution for Metropolitan Counties is given below :

<i>Metropolitan Counties</i>	<i>Metropolitan Districts</i>
Education and Related Services Museums and Art Galleries (c)	Social Services Education and Related Services Education Libraries Museums and Art Galleries (c)
Housing and Town Development Certain reserve powers, e.g. Overspill Town Development	Housing and Town Development Housing Town Development
Town and Country Planning and Related Matters Structure Plans Local Plans (in special cases) Development Control (strategic and reserved decisions) Acquisition and Disposal of Land (c)	Town and Country Planning and Related Matters Local Plans (Most) Development Control (most) Acquisition and Disposal of Land (c) Clearance of Derelict Land (c) Country Parks (c)
Clearance of Derelict Land (c) National Parks (subject to existence of boards) County Parks (c) Footpaths and Bridleways Commons—registration Caravan Sites—provision (c) Gipsy Sites—provision Smallholdings and Cottage Holdings	Footpaths and Bridleways Commons—management Caravan Sites—provision (c) licensing and management Gipsy Sites—management
Highways and Related Subjects Transport Planning Highways Traffic Parking Passenger Transport Road Safety	Highways and Related Subjects Highways—can claim maintenance powers over unclassified roads in urban areas
Consumer Protection Weights and Measures Food and Drugs Trade Descriptions Consumer Protection	Environmental Health Food Safety and Hygiene Control of Communicable Disease Control of Office, Shop and Factory Premises



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*Metropolitan Counties*

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*Metropolitan Districts*

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**Other Environmental Services**

Land Drainage  
Refuse Disposal  
Health Education (c)

**Other Environmental Services**

Local Sewers  
Land Drainage  
Refuse Collection  
Litter  
Coast Protection  
Clean Air  
Building Regulations  
Nuisances  
Cemeteries and Crematoria  
Markets  
Offensive Trades  
Health Education (c)

**Police and Fire**

Police (subject to amalgamation)  
Fire (subject to amalgamation)

**Recreation and Tourism**

Swimming Baths (c)  
Parks and Open Spaces (c)  
Physical Training & Recreation (c)

**Recreation and Tourism**

Swimming Baths (c)  
Parks and Open Spaces (c)  
Physical Training & Recreation (c)  
Publicity for Tourist Attractions

**Licensing & Registration Functions****Other Services**

Entertainments (c)  
Aerodromes (c)  
Natural Emergencies (c)

**Other Services**

Entertainments (c)  
Aerodromes (c)  
Natural Emergencies (c)

c=concurrent functions

## Office Organisation—Tottenham's System

THE success of any administration mainly depends on its organisation.

The activities of Municipal Administration being multifarious in nature should be dealt by a systematic organisation. Various and divergent as they are the activities in the Municipal Administration, must be coordinated and the goods delivered to the citizens in a right way. For that purposes, a well organised office is essential.

The office organisation should generally consist of general correspondence, maintenance of records and the destruction of unnecessary records. For better organisation of the office, *TOTTENHAM'S SYSTEM* is a very convenient and comprehensive method.

Division of office into convenient sections, drawing up a clear distribution list showing the sections, the clerks and the subjects dealt constitutes the first step in Tottenham's system. To each section, a section letter will be assigned and to each group of subjects dealt with by a clerk a number will be allotted. Sections for fair copying and despatching should also be provided.

Municipal Administration will generally comprise the following sections :

"A" section will generally relate to taxation. This section will consist of 3 or 4 clerks, designated as A1, A2, A3, or A4. "A1" clerk will deal with property tax and all registers and correspondence in respect of property tax. "A2" clerk

will deal with profession tax and other taxes. He will deal with the registers and other correspondence in respect of profession tax, and other taxes. Similarly, "A3" clerk will deal with other miscellaneous receipts, *i. e.*, receipts from markets, slaughter houses and other remunerative enterprises. Similarly "A4" clerk will deal with other tax items.

"B" section will generally deal with Accounts and cash section of the Municipal office. In this section also, we can conveniently group the subjects dealt with by different clerks in the section. For example, "B1" clerk deals with accounts *i. e.*, preparation and finalisation of accounts; "B2" clerk as Shroff or Cashier deals with cash receipts. "B3" clerk deals with audit reports; and "B4" clerk deals with Provident fund, Bonus fund, etc.

"C" section generally is concerned with Establishment and other miscellaneous items. C1 clerk will look after the general establishment; C2 clerk will look after the teaching establishment and C3 clerk will look after the meetings of the council and other committees.

"D" section will generally deal with fair copying, despatching and record room, etc. This section will have 2 or 3 clerks to deal with fair copying, despatching and record room, etc.

"E" section will generally consist of Engineering section. E1 clerk will generally look after Civil works, E2 clerk will look after water work and E3 clerk will look after lighting work, etc.

\*Commissioner, Mehabubnagar Municipality, Andhra Pradesh.

"F" section will generally consist of Public Health section. In this section also different clerks will look after different subjects of the Public Health section, namely, Vital Statistics, Dangerous and Offensive trades, Public Health store, Public Health lorries, carts, etc.

Similarly "G" section will look after the town planning branch of the Municipality. Different town planning subjects, namely, sanction of building plans, sanction of layouts, master plans, encroachments etc., will be dealt by different clerks.

Thus, the first step required for introducing the Tottenham's system in the office is to set out the subjects dealt in the Municipal office and to assign that particular subject to a particular clerk. A revision petition for a vacant house should be entrusted to A1. An objection petition for drain cleaning should go to some clerk in "F" section, a building application for sanction by the Municipality should go to a definite clerk in "G" section, etc.

A common record room should also be maintained in the office. The record room should have good space with a good number of racks to place different records and registers that came to the record room from the office, *i. e.*, from different sections.

The important registers to be maintained by any office which likes to introduce Tottenham's system are : (1) Distribution register, and (2) Personal register.

The distribution register is only one register for the whole office, whereas the personal registers will be maintained by each clerk separately for his seat.

We will now discuss the way in which the office work will be carried.

In Tottenham's system, the papers are arranged and disposed according to their "Current number". Every paper that is

received in the office will be entered in the distribution register and a number, *i. e.*, a serial number is given to that paper. That number is called the current number. The current numbers are consecutive. They start from No. 1 and go on consecutively till the end of the year. So from January of an year, a new distribution register will be opened, a current number stating form No. 1 is allotted to every paper received in the office. This distribution register and the consecutive numbers will continue till the end of December of the year.

The head of the office or the ministerial head, namely, the Manager, or Superintendent, will allot the paper to the concerned clerk who deals with that particular subject. Thus current numbers 1, 2, 3 etc., will be assigned to clerks B1, C4, G2, etc., respectively according to the subject to which that paper relate.

Each clerk in his turn will maintain a register, called the personal register. All papers received by the clerk and the action taken by him on the paper will be noted in the personal register. If a particular paper having a current number 122 in the year 1972 is allotted to clerk F3, the clerk must mark the number on all notes, drafts, references and correspondence. The file will run as F3/122/72. F3 denoting the section and the clerk, 122 the current number in the personal register of F3 and 72, the year. Some times after correspondence has begun on a particular subject, another paper may be received on the same subject from a different person. Though the latter is not a reply to the reference of the former correspondence, it can be considered as relevant or related to the same subject. If an old case is by mistake numbered as new case and the fact is noticed at a later date, the new case can be clubbed to the old case, duly making necessary entries in the personal register.

Thus all the clerks will have a number of currents in their seats.

Two hypothetical cases are given below :

A representation comes from a councillor to take up the laying of a particular road. The paper will be marked to E1. E1 will run the paper with a current number. The paper will go to the council for sanction, to the Municipal Engineer for execution, to the Accountant for payment, etc. After the payment is made to the contractor, no further action is needed on the file and there is no need to retain the current number with the clerk E1.

Similarly, a teacher applied for leave for one month. The paper will go to clerk C2. C2 will run the file with a current number. It will be dealt with by the clerk for sanction of leave, posting a substitute in the leave vacancy, joining to duty of the original teacher, ousting of substitute, payment of leave salary, etc. Then there is no need to keep the paper with the concerned clerk, after the original teacher reports to duty after leave.

After action on a particular paper, or say current number is completed, the paper needs to be disposed. There are five classes of disposal. They are, R. Disposal, D. Disposal, L. Disposal, N. Disposal and Record files.

*R. Disposal* : Retain disposals are those that are to be retained permanently as the subject dealt are of permanent importance.

*D. Disposal* : Destroy disposals are those that are to be destroyed after ten years, as the subject are of importance and are to be kept for some time.

*L. Disposal* : Lodge disposals are those that are to be destroyed after one year.

*N. Disposal* : N. Disposals are those that are to be sent out in original (e.g. when the disposal takes the form of an endorsement on a communication received

from outside, which communication is returned or forwarded bearing such Endorsement).

*R F. Record files.* Government orders and proceedings from heads of departments, etc., are recorded in separate files.

In the Tottenham's system, no new number is given to a paper on disposal, but the letter R D, L. or N, is prefixed to its current number or is marked as R.F. The same letter is entered in the relevant disposal column in the personal register with the date of disposal.

After the papers are disposed, they will be sent to the Record Room. There will be separate series of bundles for R.D. and L. disposals respectively for a particular year and in these bundles, the files or papers will be arranged in order of their current numbers. These will of course, not form a continuous series in any bundle, but it will not give rise to any difficulty in finding any particular paper or file if its number is known, and it is in its proper bundle and in the proper place in the bundle.

Government orders and proceedings from the head of departments on which no action is required to be taken except noting its contents will be filed in the records. Different record file Nos. will be given to orders issued by different departments in the Government and different heads of departments, namely, Municipal Administration Department, Revenue Department, Finance Department, etc., of the Government, Director of Municipal Administration, Director of Public Instructions, Director of Public Health, Chief Engineer, etc.

Maintenance of record room is very important. Different racks will be arranged for recording the files relating to different years. As we have seen, the "R" Disposals and "D" Disposals must be indexed.

Certain racks will contain all "R"

Disposal of different years and certain racks will contain all "D" Disposals of different years. All the disposals will be indexed. Standard titles and sub-titles have been prescribed. Each disposal will be thus classified and an Index sheet will be prepared. For example, the disposal relating to the dismissal of an employee need to be retained. The indexing will be "Establishment-Municipal employee—Sri Rama Rao, L.D.C. Dismissal from service". This index will be having a disposal number R. Dis. No. 1105 of 1963.

Thus all the R. Disposals and D. Disposals should have indexing system

and its corresponding disposal number should be noted. In Tottenham's system of record room, the indexing is of utmost importance.

The importance of the record room as the main source of the history of the office should be appreciated and the persons manning the record room *i.e.*, the Record Keepers, should be well trained.

This is how the Tottenham's system works. Tottenham's system was proved to be a fool proof and effective method of administration and is being followed in all the offices of South India without exception.

# RECENT JUDICIAL DECISIONS\*

## ELECTION LAW (DELHI MUNICIPAL CORPORATION ACT, 1957)

In an election petition under the Delhi Municipal Corporation Act, 1957 for getting an election declared void and for a further declaration that the petitioner himself has been duly elected, is the returned candidate entitled to plead and prove that the petitioner was guilty of corrupt practice in the election in question and is therefore not entitled to be declared as duly elected?

This question came up before the Supreme Court in *Banwari Dass v. Summer Chand and others*.<sup>1</sup> This was an appeal from the Delhi High Court which had held that in the absence of a specific provision in the Corporation Act corresponding to Section 97 of the Representation of the People Act, 1951, the returned candidate was not entitled to recriminate on the grounds contained in Section 17 of the Corporation Act.

Dismissing the appeal, the Supreme Court pointed out that there was no provision in the Corporation Act which specifically or by implication gave to a returned candidate a right to recriminate. The Court affirmed the view of the High Court and held: "In the absence of a provision specifically conferring such a right, the returned candidate cannot allege and prove further that even if the petitioner had obtained a majority of valid votes, he could not be granted the declaration of his due election because he had committed corrupt practices. Such plea and proof will, in reality, be in the nature of a counter attack, not necessary for legitimate defence".

It was further pointed out by the court that an election contest was not an action at law or a suit in equity but a purely statutory proceeding unknown to common law and as such the statutory provisions of election law should be strictly construed and its requirements strictly observed? "Courts in general are averse to allow justice to be defeated on a mere technicality. But in deciding an election petition, the High Court is merely a tribunal deciding an election dispute. Its powers are wholly the creature of the statute under which it is conferred the power to hear election petitions". In the light of the above principles the court held that it could not supply the apparent omission in the Corporation Act with regard to a returned candidate's claim to recriminate by importing principles of common law or equity.

The court, however, emphasised the desirability of making a clear provision in the Corporation Act corresponding to Section 97 of the Representation of the People Act, specifically conferring a right of recrimination on the returned candidate in an election petition as the remedy provided at present under the Corporation Act to a returned candidate to get the petitioner disqualified on the ground of corrupt practices committed by him, "appears to be cumbersome, circuitous and dilatory involving multiplicity of proceedings".

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\*Compiled by Shri M. K. Balachandran, Lecturer, IIPA, New Delhi.

<sup>1</sup> 1974 M.C.C. 149 (Decided on February 13, 1974).

## UNAUTHORISED CONSTRUCTION (ORISSA MUNICIPAL ACT, 1920)

Has a citizen residing within a Municipality a right to see that the building rules made by the municipality under the Orissa Municipal Act for the welfare and benefit of the public, are strictly followed ?

This was one of the questions that came up for consideration before a full bench of the Orissa High Court in *Krushna Kishore Bal v. Sankarsan Samal and Others*.<sup>2</sup> The plaintiff's case was that the defendant who had purchased his adjacent plot had started construction on his land without leaving sufficient space towards the plaintiff's side as required under the Orissa Municipal Rules, 1953 and by this illegal act, light and air to the house of the plaintiff were obstructed and his privacy was affected. The plaintiff filed the suit praying for a mandatory injunction to dismantle the illegal construction and for a permanent injunction to restrain the defendant from making further constructions contrary to the rules.

The court held that the defendant had constructed his house in contravention of the municipal plan and rules. Regarding the question whether the Act and the Rules create any obligation in favour of the plaintiff against the defendant in the matter of compliance with the rules, the court observed that mere violation of the municipal plan or rules would not furnish the plaintiff with a cause of action; the plaintiff must prove that the defendant's construction in violation of the plans and the rules resulted in an invasion of his right to light, air and privacy causing material injury to him. If the plaintiff could establish such a case, the defendant would then have an obligation in favour of the plaintiff and the plaintiff could then force those rights through a civil court and not under the provisions of the Municipal Act. The court pointed out that there was no provision in the Municipal Act for individuals to move the municipal authorities against unauthorised constructions either sanctioned by the municipality contrary to rules or done by a person in contravention of the municipal plan. "The municipal authorities may be privy to the illegal construction or might not take steps to remove the unauthorised construction, as is the case here. In either cases, a third party suffering injury is not without remedy. A suit lies and civil court's jurisdiction is not ousted". The court made it clear that if the plaintiff were to get a perpetual or mandatory injunction, he must also prove that pecuniary compensation would not afford adequate relief.

After laying down the above principles, the court remanded the case to the trial court to determine whether the defendant's construction had caused any injury to the plaintiff's right to light, air and privacy and if so whether the plaintiff was entitled to perpetual and mandatory injunctions.

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## SUITS AGAINST MUNICIPALITY (RAJASTHAN MUNICIPALITIES ACT, 1951)

Is the withholding of the salary of a municipal employee who has been dismissed from service without following the proper procedure prescribed under the rules, an act done or purported to have been done in the official capacity of the municipal board ? In other words, can the municipal board take shelter under the special period of limitation provided in Section 271 of the Rajasthan Municipalities Act, 1959, under such circumstances ?

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AIR 1974 Orissa 89 (Decided on November 28, 1973).

This question came up before the High Court of Rajasthan in *Nagar Palika, Rajgarh v. Prabhu Dayal*<sup>3</sup> Section 27 of the Rajasthan Municipalities Act provides that no suit shall be instituted against a Board, or against its chairman etc. in respect of an act done or purporting to have been done in its or his official capacity six months after the accrual of the cause of action. The Plaintiff who was an employee of the Municipal Board, Rajgarh was suspended by the Chairman of the Board. He filed an appeal to the Director, Local Bodies but during the pendency of the appeal, the Board dismissed him from service. On appeal, the Director of Local Bodies ordered the Board to reinstate the plaintiff on the ground that proper procedure as prescribed under the rules had not been followed in dismissing him and to conduct necessary enquiries against him. The plaintiff was taken back but was again dismissed by the Board. The Director on appeal again directed the Board to reinstate the plaintiff and to pay the arrears of his salary. Since the Board did not comply with the orders of the Director, the plaintiff filed the present suit for declaration that he continued in the service of the defendant and also for the arrears of his salary. The defendant resisted the suit mainly on the ground that since the suit was filed after more than six months of the accrual of the cause of action it was barred by limitation.

Relying on the principle laid down by the Supreme Court in AIR 1971 SC 97 the Court held that the suit was not hit by the special period of limitation prescribed by Section 271 of the Act. "The act of the appellant-defendant in not taking back the plaintiff in service and not paying the arrears of salary as directed by the superior authority, namely, the Director of Local Bodies cannot be said to be an act done or purporting to have been done under the Act".

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#### TERMINATION ON THE BASIS OF CONVICTION (BOMBAY PROVINCIAL MUNICIPAL CORPORATION ACT, 1949)

Is the termination of services of a Corporation employee, who has been convicted by a Magistrate but released on probation of good conduct under section 4(1) of the Probation of Offenders Act, 1958, merely on the basis of conviction, sustainable?

This question was decided in the negative by the High Court of Mysore in *G.V. Kashimath v Commissioner, Hubli and another*<sup>4</sup>. The petitioner who was an employee of the Hubli-Dharwar Municipal Corporation was kept under suspension on a charge of misappropriation and departmental enquiry into the charges was commenced. In the meanwhile he was prosecuted under section 408 of IPC and the Magistrate convicted him for that offence but instead of passing a sentence, released him on probation of good conduct under section 4(1) of the Probation of Offenders Act, 1958. After the judgment in the criminal case, the Commissioner terminated the services of the petitioner.

The petitioner contended that in view of the express provision of Section 12 of the Probation of Offenders Act, removing disqualification attached to a conviction, the Commissioner was clearly in error in terminating his services solely on the ground of his having been convicted in the criminal case. On the other hand, the Corporation

<sup>3</sup> AIR 1974 Raj. 87 (Decided on January 7, 1974).

<sup>4</sup> 1974 SLJ 161 (Decided on August 20, 1973).



argued that the termination of the petitioner's services was not on the mere ground of his having been convicted, but also on the ground of his misconduct which led to his conviction.

The court rejected the contention of the Corporation, and observed that from the order of the Commissioner terminating the service of the petitioner, it would appear that the Commissioner thought that the mere fact of the conviction of the petitioner for an offence would make it not advisable to continue him in municipal service. "In view of the express provision of Section 12 of the Probation of Offenders Act, when the petitioner was dealt with under Section 4 of the Act, the mere fact of his being convicted would not in itself create any disqualification on him though the authorities would not be precluded from taking action against him on the basis of his conduct which led to his conviction." The court cited with approval the observation made by a full bench of the High Court of Punjab and Haryana that "the liability to be departmentally punished for conduct which has led to the conviction of an employee, does not attach to the conviction, but attaches to the original conduct (misconduct) which constituted the offence of which the official has been convicted."

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#### AMENDMENT OF ASSESSMENT LIST (PUNJAB MUNICIPAL ACT, 1911)

"Under the Punjab Municipal Act, 1911, can the Municipal Committee validly amend the assessment list of the previous year by including a property which was not included in that list but which was in existence in that year? In other words, is the Committee entitled to include a building which was in existence in 1958-59, in the assessment list which was operative for the period from April 1, 1959 to March 31, 1960 by amending it on November 20, 1959 and impose house-tax on the building for the year 1959-60?"

The Supreme Court was confronted with this question in *Punjab National Bank v. New Delhi Municipal Committee*.<sup>5</sup> The appellant bank was the owner of a building which was occupied after completion of construction on July 1, 1958. The building was not entered in the assessment list prepared by the New Delhi Municipal Committee operative during the period from April 1, 1958 to March 31, 1959. On September 4, 1959 the Committee issued a notice under Section 67 of the Municipal Act, informing the Bank of the Committee's resolution proposing to amend the list for the year 1959-60 by including the building in the assessment list by amending it on November 20, 1959 and imposing house-tax on the building for the year 1959-60. The appellant objected to the amendment of the list, but the objection was overruled and the committee sent a bill for the payment of the tax for the period 1959-60. The bill was followed by a notice of demand. The appellant filed a suit for permanent injunction restraining the respondent from enforcing the demand on the ground that the respondent had no jurisdiction to include the said building in the assessment list. The trial court decreed the suit. On appeal the District Judge confirmed the view of the trial court. The second appeal filed against this decision was also dismissed by a single judge of the High Court. On further appeal, the majority of the High Court set aside the order of the single judge and held that the committee had the jurisdiction to amend the assessment list even after the list was finalised on March 31, 1959. The Bank appealed before the Supreme Court.

<sup>5</sup> (1974) 1 SCJ 1 (Decided on December 22, 1972).

Upholding the majority decision of the High Court, the Supreme Court observed as follows :

“The assessment list for the year commencing from April 1, 1959 had to be settled by March 31, 1959 at the latest; this list was liable to be amended under Section 67 even after March 31, 1959 on any of the grounds mentioned in that section. Section 66 does not say that the amendment of the assessment list should have been made before March 31, 1959. The expression “subject to such amendment as may hereafter by duly made” in section 66 would indicate that the amendment of the list could be made even after March 31, 1959 as section 67 provides for the amendment of the list “at any time”. And when the list was so amended, it shall be deemed to have been in force for the year which commenced from April 1, 1959 and ended on March 31, 1960, and the tax assessed therein shall be deemed to be the tax for the financial year commencing from April 1, 1959. In other words, it was not necessary that the assessment list should have been amended before March 31, 1959 in order that the municipal committee may impose house-tax on the buildings for the period from April 1, 1959 to March 31, 1960. An amendment of the list under section 67 was permissible on any of the grounds mentioned in the section even after March 31, 1959, as otherwise, the expression “at any time” would have no meaning. The words “subject to such amendments as may thereafter be duly made” in section 66 postulate that a list finalised before 1st January or 1st April is liable to be amended thereafter under section 67. The building was certainly liable to be included in the assessment list which was finalised on March 31, 1959 but by some mistake it was not so included. The list was, therefore, liable to be amended under section 67. That was done. When the list was amended, the tax assessed for the building shall be deemed to be the tax for it in the year which commenced from April 1, 1959 and ended on March 31, 1960”

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#### AMENDMENT OF ASSESSMENT LIST (PUNJAB MUNICIPAL ACT, 1911)

“Under the Punjab Municipal Act, 1911, is the Municipal Committee entitled to amend the assessment list under section 67 ‘at any time’, namely, without any limitation as to the period of time within which it may be exercised? In other words, can the assessment list prepared by the committee under section 66 of the Act for the ‘ensuing year’ be amended under section 67 of the Act after the expiry of the ensuing year?”

*In Life Insurance Corporation of India v. New Delhi Municipal Committee*,<sup>6</sup> the High Court was faced with the above question. In this case, the Life Insurance Corporation was the owner of a building the construction of which was completed in 1962. The building was let out in portions and the New Delhi Municipal Committee had assessed the building for the purpose of house-tax on the basis of actual rent received by the petitioner in the years 1963-64, 64-65, 65-66, 66-67 and 67-68. The tax as assessed for all these years was duly paid. In 1968, the committee issued notices to the petitioner under section 67 of the Punjab Municipal Act stating that it had resolved to amend the assessment lists for the years 1963-64 to 1967-68 to include the rent of the portions of the basement that had escaped inclusion in the respective lists of assessment settled for those years. The petitioner moved the high court for quashing the resolutions and for restraining the committee from realising

<sup>6</sup> 1973 M.C.C. 501 (Decided on March 27, 1973).

the additional tax proposed to be levied on the ground that the committee had no jurisdiction under section 67 to amend the assessment list for the previous years.

The Committee placed strong reliance on the decision of Supreme Court in *Punjab National Bank v. New Delhi Municipal Committee*<sup>7</sup> and argued that the Supreme Court had held in that case that expression "at any time" in section 67 had a wider meaning and was not limited to the year in which the list was prepared under section 66. It was, therefore, contended that if the list could be amended "at any time" it could be so done in respect of previous years also and the tax assessed by reason of such amendment would necessarily be the tax assessed for those years and recoverable like any other tax under the provisions of the Act.

Rejecting this contention, the court observed that the Supreme Court had unambiguously pointed out that the tax assessed by reason of the amendment would be the tax for the ensuing year only. "The power to amend the list 'at any time', therefore, does not vest in the committee the power to make retrospective assessments. The expressions "at any time" in section 67, to our mind, has reference only to the point of time when the lists can be amended. It does not qualify or extend the scope of the charging part of section 66 which provides for only a prospective operation for the tax assessed."

The court pointed out that if the Committee were to be able to amend the list under section 67 after several years, then rights of third parties which would intervene in the meanwhile would be affected. A *bona fide* purchaser for value of such a property might find that the property was charged with the payment of property taxes for previous years when it was held by his predecessor-in-title. The greater the delay in amending the settled list, the greater would be the injustice caused to innocent third parties, the court observed.

Interpreting the meaning of the words "at any time" in section 67 of the Act, the court observed that the very object of the power to amend under section 67 was to correct the list settled under section 66. This power of amendment was given by superabundant caution. The Supreme Court also in the *Punjab National Bank* case did not accept the suggestion that the words "at any time" could be taken literally to mean that the amendment could be made after any number of years. "We are of the view, therefore, that the content of section 66 limits the meaning of the words "thereafter" in section 66 and "at any time" in section 67 to the year for which the list is settled under section 66, namely, the ensuing year and that the amendment under section 67 can be made in the ensuing year and not "thereafter".

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<sup>7</sup> (1974) ISCI 1 (Supra).

## LAW NOTES

### The Calcutta Metropolitan Development Authority (Amendment) Ordinance, 1973

The Calcutta Metropolitan Development Authority Act, 1972 has been amended by an Ordinance *viz* ; the Calcutta Metropolitan Development Authority (Amendment) Ordinance, 1973, which was promulgated on November 30, 1973. By the amendment, Sections 17 A to 17 F and Section 22A have been added on to the existing provisions of the Act. The new section 17 A empowers the Authority to require the local authority concerned to assume responsibility for the maintenance of the amenities which have been provided by the Authority in those areas which have been developed by the Authority or for providing for such other amenities which have not been provided by the Authority, on the terms and conditions agreed upon between the Authority and the local Authority. In those cases where such terms and conditions cannot be agreed upon, they are to be settled by the State Government in consultation with the local authority on a reference by the Authority to the State Government (This section is similar to section 36 of the Delhi Development Act, 1957).

The new sections 17 B to 17 F deal with the assessment and payment of betterment charges. Section 17 B provides for the levy of betterment charges. It empowers the Authority to levy from the owner of a land, or any person having an interest therein, a betterment charge upto 50 per cent of any increase in value of the land resulting from the execution of any development project by the Authority in that area. Section 17-C and 17-D deal with the assessment of betterment charge by the Authority and appointment of arbitrators in the event of dissent by the assessee (These Section are similar to sections 38 and 39 of the Delhi Act).

Section 22-A amends by a Schedule, the Calcutta Improvement Act, 1911, the Howrah Improvement Act, 1956 and the Calcutta Metropolitan Water and Sanitation Authority Act, 1966. By the amendment, the State Government is empowered to supersede the Board or Authority as the case may be, under the respective Acts for such periods as may be specified, without any obligation to give any notice to the agency concerned. It further empowers the government to extend or modify from time to time, the period of such supersession. On supersession, the management, assets and liabilities vest in the CMDA.

# URBAN NEWS

## UNION GOVERNMENT

The State Housing Ministers met at Madras between 31 May and June 2, 1974 to discuss a number of problems connected with housing and recommended that: (a) A National Commission should be constituted to examine and recommend a national housing policy to be adopted by the Central and State Governments, (b) Two High Level Committees should be set up one for examining social housing schemes under implementation and the other to recommend how best the Land Acquisition Act could be amended to enable easier and speedier acquisition of urban land (c) constitution of a separate Rural Housing Finance Corporation, (d) The States should intimate the Centre regarding the progress of housing schemes under minimum needs programme and to monitor their implementation effectively, and (e) Formulation of a long-term perspective for the country as recommended by recent Town Planners' Conference.

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The Central Works and Housing Ministry is finalizing the Bill to fix the Urban Property ceiling which is expected to be introduced before the next session of the Parliament.

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Shri S. Muthu, Mayor of Madurai, presided over an ordinary General Meeting of the All-India Council of Mayors on 23rd March, 1974 in Delhi. The meeting was attended by Mayors of Bangalore, Cochin, Delhi, Hubli-Dharwar, Madurai, and Trivandrum, Administrator of Agra, Shri Hansraj Gupta, and ex-Mayor of Agra. The meeting considered the question of supersession of local authorities and resolved that a show cause notice should be given to municipalities before its supersession and timely election should be held and restriction of supersession period should be minimum. The meeting also approved the representation made by the Chairman to the Planning Commission regarding inadequacy of municipal funds for urban development in the Fifth Five Year Plan. The meeting also reviewed the implementation of the Third Joint Meeting of the Central Council of Local Self-Government and the Executive Committee of All India Council of Mayors.

## STATE GOVERNMENTS

### *Arunachal Pradesh*

Shri V. V. Giri recently inaugurated the new city of Itangar which will be the new capital of the State.

### *Andhra Pradesh*

The State Government is taking steps to take over all primary schools, as the civic bodies are not able to meet the financial burden including payment of salaries of the staff.

## *Karnataka*

A uniform Municipal Corporation Bill was recently introduced in the State Assembly. The Bill will apply to Bangalore, Hubli-Dharwar and such other municipal corporations as may be set up by the State Government.

## *Maharashtra*

A unified municipal service of chief officers of all the municipal councils established under the Maharashtra Municipal Act, 1965, has been constituted. This has been effective from May 1, 1974.

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The State Government has decided to set up Bombay Metropolitan Regional Authority having a wider jurisdiction covering Thana, Kalyan, Uran, Bassein, Khopoli and some other areas in Kolaba, including Greater Bombay. The Bill is proposed to be introduced in Monsoon Session of the State Assembly. The Agency is to coordinate the work done by CIDCO, the Bombay Municipal Corporation, nine municipalities in the Thana, Kalujan and Bhiwandi areas, a large number of panchayats under Thana and Kolaba Zilla Parishads. It will also liaise with the Governments like the Railways, the Port Trust, post and telegraphs, and the building and Communication departments of the State Government. The BMRA will have 32 members including officials and non-officials.

\* \* \*

The Maharashtra Government is contemplating establishment of a Municipal Finance Authority to raise finances for all local bodies in the State. The Authority will also extend loan to civic bodies on low rate of interest for development schemes

The Slum Act of Maharashtra has been recently extended to Kohlapur, Amravati and Akola.

## *West Bengal*

The State Government has constituted a High Power Committee to go into the details of a new Municipal Bill for the State in order to replace the Bengal Municipal Act of 1932.

\* \* \*

The State Government is considering to appoint a Municipal Finance Commission to supervise the allocation of resources to Municipal bodies on the lines of Central Finance Commission.

## *Tamil Nadu Slum Clearance Board*

The Tamil Nadu Slum Clearance Board has 15400 tenements so far. Another 5000 tenements will be ready by the end of the year.

## CITY GOVERNMENTS AND SPECIAL AUTHORITIES

### *Bangalore*

The Indian Institute of Management, Bangalore organised a seminar on urban improvements recently. It was the general consensus of the seminar that the modern practices of management can improve the city administration considerably. The seminar was mainly meant for Bangalore but views expressed there, were relevant to other Indian cities like Delhi. Emphasis was also laid on the training of civic personnel, who matter a lot in the urban local authorities. The seminar was attended by Administrators and Experts on the subject.

### *Bombay*

Shri B. K. Boman Behram has been elected Mayor of Bombay.

### *Calcutta*

A new township is coming up fast in Kalidaha on Jessore Road opposite Lake town in Calcutta. HUDCO has constructed a number of tenements and plots have been sold to the public.

### *Calicut*

The civic body of Calicut has been superseded by the State Government with effect from May 10, 1974.

### *Delhi*

Shri Kedar Nath Sahni has been re-elected Mayor of Delhi recently.

The Municipal Corporation of Delhi has started a new tourist camp in Qudesia Gardens to accommodate 150 tourists.

### *Madras*

The Madras Christian Council of Social Services in association with other voluntary organizations organized a two-day seminar on housing recently. The recommendations of the seminar included; greater priority be given to low cost house, tax-rebate to employers who provide houses to its employees, controlled use of space designs, housing amenities to the industrial workers be looked after by welfare offices. A Rural Housing Corporation should be constituted on the lines of HUDCO, and regarding allocation of houses preference should be given to those who subscribe to family planning.

### *Madurai*

Election for the Madurai Corporation which were scheduled in July, 1974 has been postponed for three months.

## *NEWS FROM THE NATIONAL CENTRE*

The Centre organised a training course on 'Laws in Municipal Administration' during April 24 to May 4, 1974 and there were 28 participants from all over the country. At the invitation of the Government of Punjab the Centre ran a training camp for the municipal officers in Punjab. The camp was organised at Jullundur during May 13-17, 1974. This was attended by all executive officers of Class I municipal committees, officers looking after the house-tax administration in the municipal committees of Jullundur, Ludhiana, Amritsar and Patiala and executive officer or Secretary of the Municipal Committees of Rajpura, Kapurthala, Nawan Shahar, Mukerian, Jagraon, Chheharta, Ropar, Faridkot, Phazilka, Mansa Dhariwal, Sangrur, Khanna, Phagwara, Sunam, Nabha, Malerkotla, Samrala, Anandpur Sahib and Taran Taran. The subject for discussion was House Tax Administration. On the concluding day of the training camp a seminar was held in which all the presidents/Administrators of the class I municipal committees and the other municipal committees mentioned above, had taken part. The Secretary, Local Government Punjab, inaugurated the seminar. From the National Centre Prof. Deva Raj, Shri D. D. Malhotra and Shri M. K. Balachandran conducted the training camp.

The Centre has launched upon a series of research projects on different aspects of the municipal administration and urban administration such as Studies of Slum Communities, Administrative Organisation for Urban Development, Municipal Planning and Budgetary System, Comparative Study of Municipal Acts, Land Acquisition and Urban Development, Metering of Municipal Water Supply, Role Perception of Municipal Officials and Councillors, and an In-depth Study of Whole Municipal Organization.

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## BOOK REVIEWS

*URBAN DEVELOPMENT IN INDIA*: R. K. BHARDWAJ, National Publishing House, Delhi, 1974, pp. 456.

This Book, to quote the author, "deals with all the issues created by the serious problems for better development of urban areas in the country". There are seventeen chapters covering an assortment of subjects such as phenomenon of urbanization, the new town concept, metropolitan form of structure, urbanization in developing countries, dynamics of urban renewal, education in urban India, water supply problem, transport and communication, electricity, public health problems, housing programmes, urban administration, citizens' participation, financial aspects of urban planning, land policy, crime in urban areas, and planning efforts of urban population. Evidently, the author has taken considerable pains not to leave out anything that has even the remotest connection with the problems of urbanization and urban development. The volume bears distinct evidence of great industry in collecting all conceivable data and information relating to urbanization in India and abroad. In fact, its scope is far wider than that, as one can surmise from the author's detailed observations on 'panchayat raj', 'moral standard of education', 'national policy on education', 'adult education', 'the Indian police and crimes in cities' and so on. From this pot-pourri, a persevering reader can, of course, get with great efforts to the nub of the problem. The book does contain some valuable material at one place on various facets of urban development such as planning, organization, finances, laws, functional, problems, urban land policy and citizen's participation.

The attempt seems to have been to collect enormous amount of data and information without giving much thought to their proper use in terms of analysis within an explicitly designed framework. Consequently, the scope of the book remains undefined; and interminable discussions, many a time repetitive in character, drag on without much purpose. For instance, 'urban planning' appears again and again in several chapters, 'slum clearance' has the same fate. One can appreciate the author's genuine concern, for 'moral education' and 'the condition of the blind'. But it defies imagination to find an explanation for inclusion of these discussions in a book on 'urban development'. 'The Planning Commission' has been changed to "the planning commissioner" which has been wrongly characterised as an authority created under an article of the Indian Constitution (p. 5). There are obvious spelling mistakes in 'Niron La Banerjee' (p. 138), 'Abhit Datta' (p. 127), Wallaq F. Smith (p. 89), and Van Huyck (p. 84). Kingsley Davis has got a 'Shri' as prefix, peter Hall has neither a 'Mr.' nor a 'Shri'.

Urban development in India needs a lobby, and whoever champions the cause in whatever style has to be congratulated for his contribution. The present book will prove to be a layman's guide to urban development. And a layman's interest is as much important as an intelligent man's analysis.

—MOHIT BHATTACHARYA\*

\*Reader, IIPA, New Delhi.

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- (11) Municipal Staff Welfare.

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## Big City Government in India : Councillor, Administrator, and Citizen in Delhi\*

THIS study might best be called a "political ethnography". A major object is to present in detail the roles, actors, actions, and interactions of municipal government in Delhi—just how councillors and administrators function in day-to-day government, and what the ties of the citizen to government are. Our concern here with what the actors in municipal government actually do more than with exploring the formal institutional arrangements on the one hand or the attitudes and opinions of the actors on the other.

The "interfaces" between councillor and administrator, councillor and citizen, and administrator and citizen, are a focus of the study. It examines patterns of influence and deference, of tension and co-operation, as well as the substance of the interactions. Because of the way municipal government is organized in Delhi, the councillor administrator interface is the most important one.

A difficulty which presents itself at the outset is that Delhi is in some ways an unfortunate locale for this study, since it is placed in a constitutional position

which is unique in India. Delhi as the national capital is almost a "city-state", and its Municipal Corporation has considerable autonomy as a result; the typical Indian city is enmeshed in what has been called the "linkage politics" of relations with a rural-area centered state government, and firmly in the sphere of influence of the state government bureaucracy. This is not true of Delhi. Still, much of what goes on in Delhi municipal government is comparable to the situation in other cities and in other political arenas in India, and those comparisons are made in the course of the study: the formal separation and *de facto* interpenetration of "politics" and "administration" is the most salient example.

The sources of data varied with the "level" of municipal government studied. Delhi has a Municipal Corporation which is the government of most of the inhabitants, including villagers, of the Delhi Union Territory, for most functions other than law and order, higher education, zoning, and agricultural development. At the Corporation level, data and information were collected from newspaper reports, informants, published minutes

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\* This is an abstract of a Ph. D. dissertation submitted to the Department of Chicago.

The author would like to thank the Foreign Area Fellowship Programme for its generous financial support of the field research and thesis preparation in 1968-1970, and the Indian Institute of Public Administration, and particularly the faculty and staff of the Centre for Municipal Administration, for providing help and advice and a home away from home in 1969-70. Neither institution is responsible in any way for the views expressed here.

and the budget for the year 1969-70. Secondary sources of various kinds were used to present a detailed history of the Corporation's predecessor, the Delhi Municipal Committee.

The Corporation introduced a system of "zonal decentralization" in 1962. Although the thrust of this innovation was to place administrative departments with which citizens had to deal regularly at a more convenient location than Town Hall, the zones were formed by clustering municipal wards and their councillors (a ward is a single-member constituency) into a "zonal committee" to supervise and advise in the exercise of the powers delegated to the zonal administration. The structure of the zone replicated in large part the general Corporation structure, with a (mini-) "deliberative wing" of councillors and a (mini-) "executive wing" headed by a Zonal Assistant Commissioner. Many of the zones, moreover, comprised areas with traditions of some local self-government before the formation of the Corporation in 1958. The present study concentrates on one of these zones, the City Zone, in part because it had a "natural" identity, that of the old walled city of Shah-jahanabad.

The data sources for the zone were largely "process produced". The zonal committee minutes were analysed for all the years of its existence, and the minutes for the year 1969-70 were examined in detail. All eighteen councillors of the zone and all the senior administrators, as well as some ex-administrator informants were interviewed. Election returns were collected and analysed for the zone, beginning with the results from the time of the Delhi Municipal Committee, but concentrating on the 1962, 1967, and 1971 elections for both the Corporation and the national parliament. These results are placed in the context of data derived from the 1961 Census of India, studies made for the Delhi Master Plan, and other studies of social and economic factors.

The "lowest" level of municipal government in Delhi is the ward. The ward in this study had, in 1961, a population of nearly 30,000, and is located close to the centre of the old walled city. Data from the 1961 Census were collected on literacy, type of work done by residents, scheduled caste, and the number and type of "industrial" establishments (workshops) in the ward. The place of residence of Hindus and Muslims was taken from the voters' lists. Electoral statistics for the ward was collected and the defeated candidates for councillor in the two previous elections were also interviewed. But most importantly, the participant-observe technique was employed by accompanying the councilor on his weekly "rounds" of the ward, for a full year. The research involved spending countless hours sitting in the offices of administrators who worked in the ward, and much of the data, and perhaps most of the insight into Delhi municipal government, come from the conversations with appropriate persons.

The scheme of the study is divided by the arenas of the three levels—ward, zone, and city/Corporation—and the three "interfaces", particularly the councillor-administrator interface. After the differing character of the various localities within Delhi is sketched, the institutional structures which form an environment of the Corporation are described and put in historical context. Some of these institutions, like the New Delhi Municipal Committee, are geographically distinct entities; others, like the Delhi Development Authority (the planning authority) are concerned with a specified function; and others, in particular the national government ministries of Health and Home Affairs, stand in positions for supervising authority over the Corporation.

The first arena of Delhi municipal government to be examined is the ward which has been given the pseudonym

Kucha Khirkiwala. Kucha Khirkiwala is an area of incredibly high density housing; and the mix of commercial, residential, and industrial usages, which is the hallmark of the walled city is very much in evidence. A surprising discovery was that despite areas of distinct physical character, the *mohallas* (loosely, neighbourhoods), there were few organizations connected to them, defined either by primary group (like caste) or by community spirit. The few associations that did exist were not influential. The problems of the ward—sanitation, street lighting, water supply, etc.—were dealt with by the citizens as individuals.

The census data reveal areas of the ward with distinct socio-economic character, and especially highlight the territorial division between Hindus and Muslims. Variations in literacy and type of work done by residents (the main categories are : workers in manufacturing, workers in trade and commerce, workers in services), as well as patterns of political support which emerge from an analysis of the electoral data and the interviews with political activists, are most closely correlated with this cleavage.

The councillor's role in the ward is undefined in statute, and is therefore extremely flexible (the administrative officers tend to say "illegal"). It can be divided into (1) his "ombudsman's role, and (2) his "delivery of services" role—his legitimate entry into the allocation of municipal benefits *via* the innovative institution called the constituency fund. The councillor sees himself as the link between the citizenry and the administration, and endeavours to bypass intermediaries, even his political workers who, at election time, man the polling station (precinct) organization. In this role he conveys citizen complaints to upper-level administrators like the Zonal Engineers and "directs" lower-level administrators like the Assistant Sanitary Inspectors, men over whom he has no formal authority, to remedy the causes of complaints. The

councillors also acts as "interpreter" of municipal regulations, and justifier of the limited action the administration can perform, to the citizenry; he is both "ombudsman" of the people to the Corporation and, to a more limited extent, "ombudsman" of the Corporation administrators to the people.

The second facet of the councillor's role concerns the delivery of services to citizens. He has a direct input to the administrative process at the ward level : the constituency fund. This is an annual appropriation of 50,000 rupees (a considerable sum) for projects in the ward such as street repair, replacing old street lighting with new, building public urinals, etc. The estimates for the projects are prepared by the administrative staff and are carried out either "departmentally" or by a contractor under their supervision, but the type of project and its specific locale (down to the street) are decided by the councillor, and the whole process from decision to the beginning of construction takes a comparatively short time, a matter of weeks. The political relevance of this fund should be obvious, though the Kucha Khirkiwala councillor in 1969-70 made a genuine effort to distribute benefits over the entire ward, covering the residential areas of opponents as well as supporters. It was also found that during the "rounds" of the ward, the councillor engaged in almost no partisan activity whatever. The entry into the administrative process is extended so that the ward-level administrator is placed in a position where he is responsible not only to his administrative superiors but also to the councillor.

The "round" of the ward is the most important forum for the exercise of these roles of the councillor : many of the ward-level administrators accompany the councillor on them, and indeed defer to him (taking his "orders"); citizens are contacted, either systematically, by going door-to-door or by focusing on certain kinds of housing like the *katra* [a house containing

many families, usually poor and frequently of one (low) caste; *katra* dwellers are considered to be one of the most important blocks of voters]; or in an unplanned way, as they are encountered *en route*; or the sites of projects in progress are visited. The coverage of the ward is remarkably even and complete. The councillor also has an office, or at least a convenient shopkeeper's front stoop, where citizens can come to meet him or get papers notarized, usually at fixed, regular hours. Some contact with the councillor is done via intermediaries, usually political workers rather than neighbourhood influentials (when the two are different). It is this style of interaction on which the councillor builds at election time: campaigns on door-to-door canvassing and meetings with small groups of constituents rather than on big public meetings or campaign literature.

The walled city of Shahjehanabad and the governmental unit of the City Zone are not precisely congruent, though nearly so. Shahjehanabad has had a 300-year history, and retains its "Islamic" character, which is a significant feature of the cultural context of political action for the Muslims of the city, a sizable minority: it is they who have a real pride in the city, it is they who resist strenuously efforts to demolish the "slum" housing in which they live.

Socio-economically, Shahjehanabad is Kucha Khirkiwala writ large. There is the same mix of residential, commercial, and industrial usages; the same division of residents into workers in manufacturing, in trade and commerce, and in services; and the same dearth of associations, either caste or community based, or interest groups like the spice-merchants association, active in the zonal government arena.

The City Zone government thus operates almost entirely in an institutional environment, since the partisan division of the city, between Jana Sangh and Congress parties (third parties and Independents have only a handful of members

in the Corporation), rarely penetrates to it. The zonal committee deals with a wide range of municipal problems, and the administration is exposed to citizen contact, since officers must keep office hours for the public. The councillors continue to act as ombudsmen, escorting citizens to the appropriate administrator, and supervising the response by asking questions in zonal committee meetings.

The administrative officers at this level are more experienced, better educated, with a more secure tenure, than their ward-level subordinates. They are better able to "escalate" conflicts with councillors (*e. g.*, on demands to do things they believe are beyond the councillors' authority to "order") to their more independent and insulated superiors in Town Hall. As a result, the interface between councillor and administrator pits equals against each other, and the resentment of the administrator for what he believes to be "political interference" is considerable. The councillor in turn is hampered in the amount of control he would like to have over administration by the formal structure which separates "deliberative" and "executive" wings and, to a degree, by his belief that such a division is proper.

The interface of citizen and councillor is most clearly evident in the context of elections. The analysis of electoral data for Shahjehanabad over time show considerable vote stability and definite, geographically-defined areas of support, especially for the Jana Sangh, but also for the Congress. The Hindu-Muslim cleavage again emerges as highly significant. A further finding, which seems to underline the importance of the councillors' entanglement in routine administration, is that incumbent councillors of both parties, who have "nursed" their constituencies, win despite the prevailing political winds. (This was particularly true of the 1971 election, in which the Jana Sangh improved its majority position in the Corporation two months after being routed in the parliamentary elections in Delhi).

When one shifts to the all-city arena, the institutional context of governmental action has a time dimension added: a very important determinant of the shape of municipal concern, if not the detailed duties assigned to the Corporation and its resource base as well, is the statutory provisions governing its predecessor, the Delhi Municipal Committee, which was founded in 1862. An examination of the budget of this body shows a steady increase in estimated *per capita* real expenditure; there is also a steady enlargement of its democratic base, though it was not an arena of struggle during the nationalist movement.

In the Corporation, the roles of both councillor and administrator are sharply defined, and the back-bench councillor has little power, even in the way of access, *vis-a-vis* senior administrators, except via his party's leadership. The administrators are not only physically insulated in their Town Hall offices but also are insulated from pressure by their being members of the Indian Administrative Service or the State Civil Service. Corporation meetings draw on the traditions of the British and Indian Parliaments, but the "treasury benches" are occupied by the Municipal Commissioner and his deputies, the "executive wing" of the Corporation. The councillors are supposed to deliberate on policy, but given the constraints of a Chartering Act which sets out obligatory and discretionary duties in considerable detail, this boils down to debating changes in the annual budget prepared by the Municipal Commissioner and altered slightly in the Standing Committee (controlled by the leadership of the ruling party), and raising tax rates. Councillors also are quite active in fomenting what the press calls "unruly scenes" possibly because of their restricted powers. The budgets themselves are, as is the case in American cities, incrementally altered versions of the previous year's budget.

The Standing Committee is one of several statutory committees and of many

more *ad hoc* committees (the zonal committees are included among the latter) which deal with specific areas like Education or Public Works "Cases" and their attendant files move between these committees, the executive wing officers, and outside authorities like the Superintendent of Police (Traffic), on their way to becoming resolutions of the Corporation, a process which may take years. The leadership of the Corporation—the Municipal Commissioner, the Jana Sangh leadership, the Congress leadership—interact frequently with the other authorities of Delhi: the Lt. Governor (head of the Delhi Administration), the Chief Executive Councillor (an elected but relatively powerless officer of the Delhi Administration), the independent authorities like the Delhi Development Authority, and the national government ministries, among others. Sometimes these interactions are in the form of conflicts, frequently over the lines of jurisdiction between authorities, but on the whole these inter-governmental interaction like the inter-Corporation interactions, are forms of cooperative decision-making.

At the Corporation level, political party activity is far more prominent than it is at other levels, yet there is not the salience of interest group associations that one might expect from a study of the Indian as well as American urban scene. The sphere of political party activity seems—this facet is not explored in any depth—largely independent of socio-economic constraints, and is molded by the institutional arrangement of municipal government, and the scope for political activity permitted by the relative indifference of the Government of India (rather than a state government).

This indeed is a strand that runs throughout the study; there is no social or economic "understructure" at the ward and zone levels either. The involvement of the councillor in routine administration—*qua* "ombudsman," *qua* "deliverer of services" via the constituency fund,

*qua* member of the zonal committee—is connected quite directly with the matrix of governmental, and usually statutory, institutions. The shifting roles of all three actors in the three “interfaces” can also be traced to the level of city government in which they act, although here the problem is complicated by the changing incumbents of the role—the “councillor” role is filled at all levels by the councillor, to be sure, but at the all-city level, there are real distinctions between influential councillors and back-benchers; the “administrator” role is filled by men of differing experience and seniority; the “citizen” role is filled by individuals at the ward and zone levels (though they are far more prominent in the former arena), but could be said to be filled by the few interest group associations there are at the all-city level.

A further strand of importance is the recurrence of the interpenetration of “politics” and “administration”, which is at its maximum at the ward level. It seems clear from this study that what administrators call “political interference” does indeed contribute, as the councillors maintain, to the smooth functioning of Delhi

municipal government, at all levels.

Underlying this study is one “thesis”. It is that an urban politics not only can exist in India but that it is also a significant part of Indian democracy. This is not, as it appears on the surface, a trivial question. There are many cities in India which have been governed for considerable periods without democratic participation, administered by the state government. There are many in India who believe that “politics” has no place in municipal government. And the focus of studies of politics in India has been on national and state arenas in part because it has perhaps been assumed that the significance of a politics is determined by the “importance” of the issues with which it deals. National defence and national integration are more significant for some than the placement of a new sewer line or the improvement of slum housing. But it is not self-evident that the typical politician in the national or state arena is involved in more “significant” or valid politics than the municipal councillor. Municipal government in Delhi has an independent vigour, and a record of responsive and effective administration.



## Statutory Frame of Municipal Property Taxation

**P**ROPERTY tax is one of the major sources of municipal income in India. A significant feature of this source is that it is elastic insofar as the land prices and the demand and supply of urban housing influence the value of properties in urban areas. The Municipal Acts invariably provide for the imposition, assessment and collection of property taxes on lands and buildings.

The extent of property tax contribution to the municipal tax income depends upon the basis of assessment, the rate of tax, imposition and assessment procedure, the effectiveness of the collection machinery and the extent of legal powers available to the local authorities for the realisation of the tax. There are specific provisions in all the municipal enactments dealing with these aspects. These legal provisions which vary from state to state play an important role in the determination of the style, contents and practices in property tax administration. The attempt in this paper is however confined to a comparative study of the legal provisions relating to property tax administration in the municipal Acts of four states namely, Tamil Nadu, Maharashtra, Haryana and Punjab. The study is intended to highlight the similarities, differences and defects in the statutory frame which is one of the

important factors in the effectiveness of property tax administration.

While, the imposition of property tax by municipalities in Haryana and Maharashtra is obligatory, it is discretionary in the case of Tamil Nadu and Punjab. However in Punjab, the State Government has in exercise of the powers conferred under Sec. 62-A of the Act, issued orders for the imposition of the tax by the municipal committees.

### *Basis of Assessment*

The basis of assessment in all the four enactments is the annual value *i.e.*, the amount of annual rent for which buildings or lands may reasonably be let from year to year after deducting a percentage on account of maintenance and other allowances. Furniture and any appurtenances (excluding machinery) that are let for use or enjoyment alongwith the lands and buildings are also included in assessment of properties in the case of Haryana and Punjab.

The Madras Act provides that in the case of government or railway buildings or in respect of any building of a class in respect of which the gross annual rent cannot be established or lands not exclusively used for agricultural purposes, the

levy is to be based on the capital value of such lands and buildings Sec. 81 (3) and Sec. 82 (2). In Punjab and Haryana, the Acts provide that in the case of any house or building the gross annual rent of which cannot be determined, the annual value should be 5 per cent on the sum obtained by adding the estimated present cost of erecting the building less deductions on account of depreciation to the estimated market value of the site and any land attached to the house or building. [sec. 3(1)] of the Punjab Act and Sec. 2(1)(c) of the Haryana Act).

In the case of Haryana and Maharashtra, if the amount for which lands and buildings are actually let is greater than the amount for which they may reasonably be expected to let, it forms the basis of assessment. It is only in the case of Haryana, the Act specifically provides that the fair rent wherever fixed under the law relating to rent restriction, forms the basis of annual value in respect of lands and buildings for which fair rent has been fixed [sec. 2(1)(a)].

Since the annual value in all the Acts under study is rent-based, the courts have held that the annual value even in respect of those properties for which fair rent has not been fixed should be determined in accordance with the principles provided for computing fair rent under relevant Rent Restriction Acts. The application of Rent Restriction Act has affected adversely the municipal revenue in the following manner :

- (a) As the principles determining the rent being out dated and thus obsolete under present conditions, the fair rent is considerably less than the market rent. Mostly the properties for which fair rents have been fixed lie at the heart of the city and the owners of such properties, to compensate for the low rent under the Rent Restriction Act,

charge high amount of premium (generally known as "pugree"). Nevertheless, the municipal bodies have to bear with the expenses for providing municipal services in these areas. While the cost of such services have risen substantially, the income from such properties stands virtually frozen.

- (b) The wide discrepancy between the fair rent and market rent also discourages the owner to invest in the proper upkeep and maintenance of buildings, leaving the core city in dilapidated conditions and at times, unproductive of rents.

In a number of western countries such as U. S. A. and Canada, the annual value of properties is determined by their capital value. Its major advantage is that it helps to overcome the various evasive practices as well as legal pronouncements that tend to reduce the amount of reasonable rent of property. Moreover, it is argued that capital values of lands and buildings in urban areas have been growing rapidly and the higher values are reflected faster in capital value than in rents. Further, at present most of the vacant urban lands are not taxed on ground of being invariably below the exemption limits, even though the municipal amenities in the locality have to be maintained. It is also argued that the capital value-based annual value would encourage economic land-use and housing construction and discourage the speculation tendencies of holding plots in expectation of better prices in future. Moreover, it would also bring uniformity for the purposes of land acquisition and wealth tax.

However, the determination of capital value is a difficult task requiring an agency well equipped with technical skill and expertise in property valuation. Further, it is felt that the estimates of

capital value cannot be totally delinked from rental values on grounds of equity. It is also feared that the extent of litigation involving the municipal committees and citizens would increase many fold as compared to rental valuation for which data are more specific and reliable under the present conditions.

Alternatively, the definition of fair rent under the Rent Restriction Act could be amended so as to give it a more pragmatic and scientific content and thus remove the difference between reasonable rent and fair rent. However, where the premises are let out, the assessment should be made on the basis of actual rent received if it is higher than the reasonable rent as derived in accordance with the principles laid down in the Rent Restriction Act. In the case of self-occupied properties and the premises which are not let out, the annual value should be determined in accordance with the principles laid down in the Rent Restriction Act. For properties whose annual rental value cannot be determined properly, the capital value may form the basis of determining the annual value as provided in Punjab, Haryana and Tamil Nadu.

#### *Rate of Property Tax*

The Haryana Act provides for a rate ranging from 7-1/2 per cent to 15 per cent at which property tax can be imposed (sec. 69) whereas in Punjab, the Act only specifies a maximum limit of 15 per cent (sec. 61). In the case of Tamil Nadu, the Council has the power to fix the rate of tax (sec. 81). In Maharashtra, the rates are prescribed by rules made by the State Government (sec. 105), but the Council may vary rates within prescribed limits provided such increase or reduction does not exceed 10 per cent of the amount or rate at which tax was leviable during the preceding official year.

#### *Imposition of the Tax and Changes in the Rates*

Since property tax in Maharashtra is

obligatory, the procedure in respect of any change in rate within the prescribed minimum and maximum limit is that the Council has to pass a resolution for effecting the change at a special meeting provided that such increase or reduction does not exceed ten per cent of the rate at which such tax was leviable during the preceding year. The Council is required to publish the resolution together with notice specifying a date which should not be less than 30 days from the date of publication, from which the change would become effective.

In Haryana, a municipal committee is required to pass a resolution within a period of 30 days from the date of publication of notification by the State Government directing a municipality to impose the tax. If the committee fails to pass such a resolution within prescribed period, the resolution is deemed to have been passed by the committee after the expiry of the period and the state government accordingly notify the imposition of the tax (sec. 72).

In Punjab, the property tax is discretionary and the procedure is prescribed under Sections 62 to 66 of the Act. The committee is required to pass a resolution at a special meeting proposing the imposition of a tax and to publish a notice defining the class of persons or description of property proposed to be taxed, the amount and rate of tax to be imposed and the system of assessment. Objections, if any, are to be received within 30 days and are required to be considered by the committee at a special meeting. If the committee decides to amend its proposals, the amended proposals are to be published for receiving objections within 30 days of publication. When the proposals are finalised, the committee has to forward its orders regarding imposition to the state government through the Divisional Commissioner. After the State Government has sanctioned the proposal, it notifies the imposition of the tax. The tax becomes leviable by the year and comes into force on the first

day of the ensuing quarter. Thereafter, the tax is leviable on yearly basis (sec.62). The State Government, however, has the power to require a committee to impose any tax not already imposed at such rate and within such period as may be specified in the notification (sec. 62-A (1), and to require a committee to modify the rate of any tax already imposed (sec. 62 A (2) If the committee fails to carry out any such orders, the state government can impose or modify the tax after notification in the gazette (sec. 62-A(3). Similar powers are vested with the state government in Haryana under Sec. 75 of the Haryana Act.

The Haryana Act lays down the above procedure for the imposition of discretionary taxes such as those for scavenging, lighting, and drainage. In the case of modification of the tax rate also, the committees have to follow the above procedure.

In Tamil Nadu, the Council has the power to levy a property tax on passing a resolution specifying the rate at which and the date from which the tax is to be levied (sec. 78). Before passing the resolution imposing the tax for the first time or increasing the rate thereof, the Council is required to give public notice of its intention to do so, fix a reasonable period of not less than one month for submission of objections and consider the objections, if any, received within the specified period [sec. 78 (3)]. The Executive Authority (Municipal Commissioner or Chairman as the case may be) has to notify the final decision of the Council in the district gazette (sec. 80). Any resolution abolishing an existing tax or reducing the rate is to be immediately reported to the State Government and in the case of Municipalities which have an outstanding loan, such abolition or reduction is subject to the sanction of the State Government (sec. 78). The State Government is also empowered to direct a municipal council to levy the property tax at such rate and with effect from

such date as may be specified in the order. Once such an order is passed, it is deemed that the procedure prescribed for the imposition of tax by the Council has been followed. Further, the Council cannot alter the rate or abolish a tax levied by the above order except with the previous sanction of the Government (sec. 81-A).

### *Composition of Property Tax*

Property tax is usually composed of a general tax and taxes for specific services rendered. In Maharashtra it is levied on a consolidated basis and includes : (a) a general tax, (b) a general water tax, (c) a lighting tax, and (d) a general sanitary tax (sec. 105). In addition, the Act provides for the imposition of a special sanitary tax upon private latrines, premises, etc., cleansed by the municipality, a drainage tax and a special water tax for water supplied by it (sec. 108).

In Tamil Nadu, the property tax consists of : (i) a tax for general purposes, (ii) a water and drainage tax, (iii) a lighting tax, and (iv) a scavenging tax (sec. 81). In case the water and drainage tax is levied, the municipal council is required to declare the proportion of the tax levied in respect of water works (sec. 81).

Property tax provisions in Punjab and Haryana do not mention the composition of the tax. However, in Punjab Sec. 97 (2) of the Act makes a mention of water tax also. Further, by an amendment in 1973, the provision has been made for the levy of scavenging tax based on a percentage of annual value for providing the service. In Haryana too, sec. 70 confers discretionary powers on the committee to levy fees for drainage, scavenging, lighting and cleansing of latrines and privies in addition to property tax.

The special advantage of merging the water tax, lighting tax etc. with the general tax is that they are in respect of

general services rendered to the entire municipal areas. In respect of certain taxes or fees relating to scavenging, drainage and cleansing of latrines, etc., the levying of which are contingent on the supply of such services, it is desirable to have them separately because such services are enjoyed by the occupier who should pay for it. Further, in granting exemptions from property tax, the separation of such taxes from the general property tax would ensure that such services wherever enjoyed are not made available free. As far as possible, the exemptions should only be in respect of the general tax component of the property tax and not in respect of taxes for specific municipal services.

### *Procedure of the Assessment*

#### *(a) Preparation of Assessments Lists.*

The Municipal Acts under study require the municipalities to prepare assessment lists giving particulars of all lands and buildings such as name of the owner and occupier, designation and location of the property, the annual value (or capital value wherever applicable) etc.

In Maharashtra, after the assessment list is completed, it is required to be submitted to the Authorised Valuation Officer (AVO) appointed by the State Government, who verifies the assessment, if necessary, by inspection of properties concerned and returns the list duly checked and corrected to the chief officer (sec. 117). The chief officer then issues a public notice to indicate the availability of the list for inspection by any person concerned (sec. 118) and invites objections regarding valuation or assessment in such list within a specified period not less than 30 days after the publication of the list (sec. 119). All such objections are required to be registered in a book kept by the chief officer [sec. 119 (2)]. After the expiry of the specified period, the chief officer is required to forward the assessment list along with the objections received to the AVO. The AVO disposes

of the objections after investigation and after giving an opportunity to the objectors of being heard. He records his decision along with the reasons in the case of any amendments in the book (sec. 120). Further, the AVO authenticates the list and certifies that no valid objection has been made to the valuation and assessment contained in the list except in cases in which amendments have been made. Thereafter this authenticated list is made available for inspection by the assessee (sec. 121). The chief officer, in consultation with the AVO, is authorised to alter the assessment list in case of any error occurring through fraud, accident or mistake etc., after giving not less than one month notice to the person concerned for filing objections to the alterations (sec. 123). The objections received are dealt with in the same manner as stated above.

In Tamil Nadu, the Act provides for a public notice to be served after the preparation of assessment book. However, a special notice to the owner or occupier of a property is required to be given in case the property is assessed for the first time or an increase in the assessment is made otherwise than by way of general enhancement of the rates. All revision petitions against assessments are required to be filed before and disposed of by the Executive Authority which is the Municipal Commissioner in the case of scheduled municipalities and Chairman in other cases (Rules 9, 10). A revision petition may also be filed by any person at any time on the ground that the annual or capital value of property has decreased (Rule 11).

In Punjab and Haryana, the provisions regarding the preparation, settlement and amendment of assessment lists are similar (secs. 63 to 68 of the P.M. Act and Secs. 76 to 81 of the H. M. Act). A committee is required to give public notice after the completion of assessment list so as to invite objections if any from the persons concerned. In case the committee intends

to revise the valuation and assessment, one month advance public notice in this respect is required to be given. In respect of properties assessed for the first time or the assessment thereof is increased, a specific notice to the owner or occupier is prescribed to be given by the committee for filing objections, if any. A sub-committee of the municipal committee consisting of two members of the committee and the executive officer enquire into objections received and gives its decision after allowing the person raising the objection an opportunity of being heard. The sub-committee is required to authenticate the amended list and certify that no valid objection has been made to the valuation and assessment contained in the list except in the cases in which amendments have been made.

The committee is also authorised to amend or alter or make an insertion in the list at any time in case of erroneous valuation or assessment through fraud, accident or mistake etc. by giving a notice to person affected by such amendment or alteration. Any objections arising therefrom are to be dealt with in manner discussed earlier.

*(b) Periodicity of Assessment:* The periodicity of assessment is an important factor in keeping the income from this tax source related to the rising annual value of properties. Some of the Acts specifically provide that the assessment lists should be completely revised within a stipulated period whereas the others are silent on this issue. In the latter case it has been often observed that the same assessment lists have continued for years and a number of properties have remained unassessed. In Tamil Nadu, the complete revision of assessment book once in five years is obligatory (sec. 124, Rule 8). In Maharashtra, the Act provides that the revision of assessment of any property should be done as far as possible not less than once in four years and once done it should remain in

force for four years (sec. 124). In Punjab and Haryana, the committee has the discretion to prepare a new assessment list every year for the whole or any part of municipality or adopt the list of any year with or without alteration. However, the Haryana Act provides that a list for any year should not be adopted for a period exceeding five years.

### *Exemptions and Remissions*

The provisions regarding exemptions and remissions also indicate wide variations. In some cases, the categories of exempted properties are specifically provided in the Act itself, while in certain other cases the exemptions are either given under the rules or on orders from the state government or by the committee with or without the prior sanction of the state government. In Tamil Nadu, certain types of properties such as places of public workshop, buildings used for educational purposes, charitable hospitals and dispensaries etc. are exempted [sec. 83(1)]. The municipal council can with the previous sanction of the State Government exempt any particular part of a municipality from the payment of whole or a portion of water and drainage tax or of the lighting tax on the ground that such area is not deriving full benefit from such service. The council can also exempt any property from the whole or any portion of the scavenging tax, if it is satisfied that the owner or the occupier has made efficient arrangements in this regard [sec. 83(3) & (4)]. The council may also, by a general resolution, exempt any property if the value of the same does not exceed Rs. 18 and the proprietor does not own any other property assessed to property tax and is not liable to profession or income tax. The Act also provides for vacancy remission, if the building has remained vacant and unlet for a period of 30 or more consecutive days in any half year (sec. 187).

The Maharashtra Act does not specify any powers of granting exemptions by

municipal councils. But if the state government grants exemptions in exercise of powers vested in it, it may reimburse to the council an amount approximately equal to the loss caused by such exemptions (sec. 106). The councils however enjoy the powers of partial remission in respect of property as a whole, or any part of it having separate tenements remaining unoccupied or unproductive of rent for any period not less than 90 consecutive days or which has been wholly or in great part demolished or destroyed by fire or otherwise deprived of value (sec. 127). Similar provisions exist in Punjab (sec. 72) and Haryana (sec. 85) except that instead of 90 days' period, they provide for 60 consecutive days.

In Punjab and Haryana, a committee can exempt, in whole or in part, for not more than a year at a time, from payment of the tax any person on grounds of poverty. However, for any other exemption, the prior confirmation of the state government is essential (Haryana sec. 83; Punjab sec. 70). The governments in these states have also similar powers of exemption. Such powers in Punjab have been used to order exemption in respect of all properties the annual value of which does not exceed Rs. 840. Because of the absence of any legal obligation of the state government to reimburse the loss to municipalities caused by such exemptions, there is a tendency to resort to granting of exemptions quite frequently, depriving the municipalities of their revenues.

### *Appeals*

In the case of Tamil Nadu, appeal against the order of the executive authority lies to the council which may cancel or modify any order passed by the executive authority reducing or remitting any tax (Rules 23 and 24). The decision of the council is final (Rule 28). The State Government has got the powers to appoint a special officer in the place of the council to exercise the above powers (Rule 28A).

In Maharashtra, the appeal against

any claim for taxes or other dues lies to the judicial magistrate (sec. 169). The decision of the magistrate is subject to the revision of the court. In Tamil Nadu as well as in Maharashtra an appeal can only be made after the amount has been deposited with the municipal office. While in Maharashtra, the appeal has to be preferred within 15 days of the presentation of the bill, in Tamil Nadu it should be filed within 15 days from the date upon which tax becomes payable.

In Punjab and Haryana the appeal lies to the Deputy Commissioner of the district or to such other officers as empowered by the state government. If, on hearing an appeal, any doubt arises regarding the liability to or the principle of assessment of a tax, the officer may either of his own motion or on an application of any person interested, refer the matter for the decision of the High Court. The appeal is to be preferred within one month from the time when the demand for tax is made and will be entertained only after the appellant has paid all other municipal taxes due from him to the committee up to the date of such appeal.

### *Procedure for Recovery of Tax*

The Municipal Acts of all the four states provide that a bill should be presented to the person liable to pay the tax for the amount claimed as due, specifying the period for which and the property in respect of which, the sum is claimed. If the tax is not paid or appeal is not preferred or sufficient cause is not shown as to why he is not liable to pay within 15 days (10 days in case of Punjab and Haryana), the municipal committees in Maharashtra, Haryana and Punjab are required to serve a notice of demand on the defaulter.

In Tamil Nadu such notice is required to be given by the executive authority after the lapse of 15 days from the date of serving the bill to recover the tax by distraint under his warrant and sale of movable property of the defaulter [Rule 30(1)]. If the distraint of the defaulter's



property is impracticable, the defaulter can be prosecuted before a Magistrate (Rule 30(2) and fined up to an amount not exceeding twice the amount due from him. Any fine recovered is passed on to the municipal council. In case the defaulter is untraceable, the amount is recoverable as if it were an arrear of land revenue (Rule 35-A).

In Maharashtra, if the amount is not paid within 15 days of the service of the demand notice, the chief officer can issue a warrant to recover the dues along with the cost of recovery, by distress and sale of movable or immovable property of the defaulter. Also an interest on the amount due is chargeable (sec. 166). In case the person liable to pay the tax is outside the state or does not have sufficient property in the state and has property outside the state, then the amount is recoverable as arrears of land revenue (sec. 164).

In Haryana and Punjab, if the payment of tax and the fee leviable for notice is not made or a sufficient cause for non-payment is not shown within seven days from the service of the notice, the sum due is deemed to be an arrear of tax and is recoverable as arrears of land revenues on an application made to the Collector. The arrears may also be recovered on an application to a magistrate by the distress and sale of movable property (sec. 80 and 81 of P.M.A.; sec. 94 & 95 of H.M.A.). Unlike other Acts, the Punjab Act specially provides that the defaulters shall not be arrested.

### Conclusions

The extent of similarities in the legal provisions relating to property tax is far more in the case of Punjab and Haryana. In fact, the Haryana Act is of recent origin and follows the pattern of the

Punjab Act which was earlier in force in Haryana. The dissimilarities between the two are mainly in respect of the basis of assessment, tax rate and periodicity. As regards the basis of assessment, the Haryana Act takes into consideration the actual rent wherever the fair rent is not fixed under the relevant Rent Restriction Act. It also provides for the complete revision of assessment list once in five years and specifies the minimum and the maximum limits within which tax may be imposed.

As regards imposition and collection of the tax, the extent of powers vested with the municipal bodies also varies considerably. In this respect it may be observed that the municipalities in Punjab and Haryana are at a disadvantage as compared to their counterparts in Tamil Nadu and Maharashtra. This may be one of the important factors which account for lower tax collection in Punjab and Haryana *vis-a-vis* Maharashtra and Tamil Nadu.\*

In all the states under study, the assessment is done by the local authority, and the elected representatives are associated with the finalisation of assessment lists. It is only in Maharashtra that an outside agency, i.e., the Authorised Valuation Officer has an important role to play in matters of assessment. It may be pointed out here that various commissions and committees appointed from time to time to suggest reforms in urban local government have adversely commented upon the involvement of elected representatives in the assessment task which has become highly specialised and technical in nature. Suggestions have been made to institute an impartial and independent machinery well equipped with the necessary skilled personnel and organisation for the purpose of assessment. It is, therefore, worth considering the feasibility of establishing a central valuation agency at the state

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\*According to the Report on the "Augmentation of Financial Resources of Urban Local Bodies" (Nov. 1963) the percentage of collection of tax to demand in Punjab, Maharashtra and Tamil Nadu in 1960-61 was 52.2, 68.9, 82.20 respectively.



level for this purpose. Such a step is likely to avoid the multiplicity of agencies under different enactments for different purposes such as property tax, house tax, wealth tax, land acquisition etc.

It may also be noticed that the law lays down quite a cumbersome procedure for the collection of tax in Punjab and Haryana as contrasted with the provisions in Tamil Nadu and Maharashtra.

## Criteria for Upgrading a Municipality as a Municipal Corporation : An Approach\*

**S**URPRISINGLY enough, neither the Municipal Acts nor the State Governments in our country have laid down, on a scientific basis, any guidelines or criteria for determining the eligibility of any city for attaining a corporation status. Consequently, such decisions for upgrading any municipality as a municipal corporation are taken rather arbitrarily by State Governments, often due to pressures and pulls, exerted by political and vested interests. Thus we find the anomalous situation of finding in our country relatively small cities like Chandernagore† (75,234), Raipur (174,518) and Ujjain (203,278) having municipal corporations administering them while much larger cities like Howrah (737,877), Jaipur (617,258), Srinagar (403,413), Ludhiana (397,850) and Vishakapatnam (352,504) are governed by Municipalities not having corporation status. Research in this vital field appears to have escaped the attention of our academic institutes and research organisations dealing with local self-government. The Rural-Urban Relationship Committee (1966) has made certain recommendations in this regard and a reference will be made to this later.

### *Benefits of a Corporation Status*

Some may rightly question the propriety or benefits of conversion of any a municipality into a corporation on the ground that even then the earlier slackness and inefficiency of the municipality would continue under different garb and, perhaps, in a more dignified manner. Their contention would be that even after proposed conversion, the same staff would continue to serve this local body and also that, in all probability, most of the present city-fathers would continue to get elected to the corporation council.

But, it must be pointed out here that there are some distinct advantages to be gained by any urban community when a corporation status is conferred upon its local body. The idea of a corporation carries with it a certain amount of prestige and civic pride and raises the hopes and aspirations of the citizens which the city fathers and administrators will have to endeavour to fulfill. In general, the municipal corporations are more autonomous than municipal councils and enjoy enhanced powers of taxation and regulation. Studies, conducted by the Rural-

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\*The article is based on studies conducted by the author on 'Jurisdictional and Planning Administration Problems of Vijayavada' as a Consultant for a Research Project of Department of Human Geography, University of Delhi.

†Chandernagore was a French Territory. On its accession to the Indian Union, it was assumed a Corporation status as part of the transfer agreement. Its designation is rather misleading, because for all practical purposes it is governed by the provisions of the West Bengal Municipal Act, 1932.—*Editor*.

Urban Relationship Committee (1966), have revealed that the larger municipal corporations have annual per capita income ranging up to Rs. 30 the comparable figure for the smaller municipalities is as low as Rs. 9 to Rs. 2. To cite an example of enhanced power of regulation, Calcutta Municipal Act confers upon Calcutta Corporation the powers to enforce development control in respect of all constructions within corporate limits while the West Bengal Municipal Act, which is applicable to other municipalities in the State, does not confer any such powers on them.

A distinctive feature of the corporation system is the triumvirate, *viz.*, statutory distribution of powers between the Council, the Commissioner and the Standing Committees. The Council is the deliberative wing and the Commissioner is charged with executive responsibilities. Another advantage of corporation status is that the corporation is normally in a position to employ better qualified and more capable persons as its officers than a municipality. The Commissioners of municipal corporations are appointed by the State Governments from senior administrative cadres. All this would have its impact on the quality of civic service offered by the local body.

Thus there are undeniable advantages to be gained by any city attaining a corporation status.

#### *Criteria for Constituting a Municipal Corporation*

The Rural-Urban Relationship Committee (1966) has adopted a very simplistic and naive approach by recommending that corporations should ordinarily be created only for cities having a population of 5 lakhs and more and an annual revenue of not less than one crore of rupees. The Committee, however, did not substantiate, by facts and figures, its reasons for recommending above two criteria.

#### *Population Size*

It is undisputed that metropolitan areas and large cities, tending towards metropolitan stature of growth should be governed by municipal corporations. Experience has shown that Indian cities of around 5 lakhs population size usually begin to attain metropolitan characteristics. By metropolitan characteristics, one has in mind attributes like size of the city (population-wise and area-wise), dimensional scale of its structures and major streets, existence of a central business district, magnitude and scale of its commercial and industrial activities, residential densities, etc. Hence it is understandable as to why the Rural-Urban Relationship Committee has selected 5 lakhs as a desirable population size for a city to be eligible for corporation status. However, one should not be too rigid about this 5 lakhs limit as it may happen sometimes that a city with a population exceeding this limit may not show metropolitan characteristics while another city of less than 5 lakhs population may exhibit the same. To cite an example, Patna (473,060), Trivandrum (409,627) and Allahabad (490,622) have populations each of slightly less than 5 lakhs but none can dispute that they are metropolitan cities having functional importance and are more deserving of having corporation status than some other cities like Madurai (549,114) and Howrah (737,871), whose population exceeds 5 lakhs each.

It will be observed from Table 1 that 16 out of the existing 31 municipal corporations do not satisfy the population criterion of 5 lakhs as laid down by the Committee. In fact, if this criterion was strictly applied, as many as 10 States (*viz.* Rajasthan, Assam, Orissa, Haryana, Punjab and others) will not have even a single municipal corporation, as they do not possess even a single city having population exceeding 5 lakhs; yet certainly their capital cities deserve to be considered for corporation status.

**TABLE 1**  
**LIST OF MUNICIPAL CORPORATIONS IN INDIA AND THEIR POPULATION SIZE (1971)**

<i>S. No.</i>	<i>Name of Municipal Corporation</i>	<i>Population (1971)</i>	<i>S. No.</i>	<i>Name of Municipal Corporation</i>	<i>Population (1971)</i>
1.	<i>Andhra Pradesh</i> Hyderabad	1,607,397	17.	Poona	856,105
	<i>Assam</i> -Nil-		18.	Sholapur	398,361
	<i>Bihar</i> Patna	473,001	19.	Kolhapur	259,050
2.	<i>Gujarat</i> Ahmedabad	1,585,544		<i>Manipur</i> -Nil-	
3.	Surat	471,656		<i>Meghalaya</i> -Nil-	
4.	Baroda	466,696	20.	Mysore	1,540,741
	<i>Haryana</i> -Nil-		21.	Bangalore	379,166
	<i>Himachal Pradesh</i> -Nil-			Hubli-Dharwar	
	<i>Jammu &amp; Kashmir</i> -Nil-			<i>Nagaland</i> -Nil-	
	<i>Kerala</i> Trivandrum	409,627		<i>Orissa</i> -Nil-	
6.	Cochin	439,066		<i>Punjab</i> -Nil-	
7.	Calicut	333,979		<i>Rajasthan</i> -Nil-	
8.	<i>Madhya Pradesh</i> Indore	543,381		<i>Tamil Nadu</i> Madras	2,469,449
9.	Jabalpur	426,244	22.	Madurai	549,114
10.	Gwalior	384,772	23.	<i>Uttar Pradesh</i> Kanpur	8,287,883
11.	Bhopal	298,022	24.	Lucknow	749,239
12.	Ujjain	203,278	25.	Agra	591,917
13.	Raipur	174,518	26.	Varanasi	583,856
14.	<i>Maharashtra</i> Bombay	5,970,575	27.	Allahabad	490,622
15.	Nagpur	866,076	28.	<i>West Bengal</i> Calcutta	3,148,746
16.			29.	Chandernagore	75,238
			30.	Delhi	3,287,883
			31.		

### *Territorial Extent of Corporate Area*

It will be noticed from Table 2 that the territorial extents (in sq. kms.) of lands within corporate limits for existing corporations in our country vary considerably from as low as 9.3 sq. kms. for Chandernagore to 603 sq. kms. for Bombay. It will however be noticed that 69 per cent of corporations have territorial extent exceeding 70 sq. kms. Hence, in the absence of more elaborate research in this regard, a territorial extent of 70 sq. kms. is suggested as one criterion to be considered in determining claims of a city for attaining corporation status.

### *Functional Importance*

The Committee completely ignored a valid suggestion made by the All-India Council of Mayors that consideration should be given in this regard to commercial and industrial importance of the city and that state capitals should have corporation status irrespective of the population limit. Thus the functional importance of a city (be it a major commercial and industrial centre or a state capital or a major port) ought also to have been given due weight by the Committee.

### *Annual Income*

Coming to the next criterion (*viz.*, an annual income of over Rs. one crore), one fails to understand how the Rural-Urban Relationship Committee arrived at this round figure of Rs. 1 crore, as no scientific basis or any reasoning has been adduced in its report for the same. Even according to the Committee's own admission, 50 per cent of the then existing corporations did not satisfy this criterion. This figure of rupees one crore seems to have been laid down rather arbitrarily by the Committee. It must, however, be admitted that a municipal corporation should have a certain optimum level of income so as to be able to maintain an appropriate level of civic services befitting a corporation and to employ suitable and properly justified personnel. However it,

TABLE 2

### TERRITORIAL SIZE OF SELECTED MUNICIPAL CORPORATIONS OF INDIA 1971

<i>S. No.</i>	<i>Name of the Corporation</i>	<i>Area (Sq. Kms.)</i>
1.	Patna	71.05
2.	Trivandrum	74.93
3.	Calicut	86.67
4.	Cochin	94.88
5.	Madras	127.28
6.	Bombay	603.00
7.	Nagpur	217.56
8.	Poona	138.85
9.	Sholapur	23.23
10.	Kolhapur	66.82
11.	Bhopal	55. 2
12.	Indore	70. 4
13.	Ujjain	25. 0
14.	Jabalpur	133. 1
15.	Raipur	26. 1
16.	Bangalore	603.00
17.	Hubli-Dharwar	182.30
18.	Allahabad	212.94
19.	Kanpur	293.22
20.	Lucknow	79.53
21.	Varanasi	28.50
22.	Calcutta	104.00
23.	Chandernagore	9. 3
24.	Hyderabad	169.31
25.	Delhi	360.55
26.	Gwalior	60.30

may also be expected that the annual income of a local body would increase considerably after attaining corporation status. There is need for considerable research before a suitable minimum level of annual income could be recommended as a criterion for upgrading a municipality as a municipal corporation.

#### *Suggested Criteria for Creation of a Municipal Corporation*

In the light of the above discussion, the following principles and criteria are suggested for consideration while determining the claims of any city for attaining corporation status:

(1) The population size of the city should be around 5 lakhs and more.

(2) Annual income of the local body should exceed rupees one crore or whatever amount is determined after research on this aspect.

(3) The territorial extent of area within corporate limits should exceed 70 sq. kms.

(4) Commercial and industrial importance of a certain magnitude influencing the hinterland region and the State. (Evidently every city has a certain degree of commercial and industrial importance but

what is relevant here is a question of scale and the region served by these functions. Dominance of wholesale trade, location of headquarters of some of the firms serving a vast region and existence of large-scale industries are some relevant considerations.)

(5) Functional importance of the city with respect to other matters like being a capital city of a State or location of a major port or of regional offices of State and Central Governments or having political and cultural importance.

(6) Every State should have at least one and preferably even two municipal corporations for its major cities. When any State does not qualify for this situation, the criterion of 5 lakhs population size should not be applied too strictly.

Final determination about eligibility of a city ought to be based on an overall assessment of all the above factors and a city need not be disqualified in this regard if it does not meet the requirements of one or two criteria but satisfies others.

To conclude, this note is intended more to stimulate thinking and research on this vital but neglected subject than to offer final and conclusive recommendations.

## Municipal Public Health Services : A Study of Haryana

**M**UNICIPAL bodies all over the world are primary agencies for catering to the social, cultural and physical needs of the citizens. They provide for a variety of services and public utilities to meet social and economic needs and to ensure a healthy environment for the community as a whole. Their functions include public health, public safety, public convenience and public education.

The municipalities in Haryana have not been able to provide a satisfactory standard of services which in terms of volume and quality are at a low ebb. An idea of the scales of different services performed by the municipalities in Haryana may be gathered from tables 1 and 2.

**TABLE 1**  
**DISTRIBUTION OF MUNICIPAL EXPENDITURE, 1968-69**

<i>Service</i>	<i>Percentage</i>
Public Health	43.68
Public Convenience	9.75
Public Safety	8.24
Public Education	3.05

Source : Collected and compiled from Statistical Abstract of Haryana, 1968-69.

As shown in table 2, the per capita incidence of expenditure on public health, public works, public safety and public instruction is Rs. 14.71, Rs. 3.36, Rs. 2.01 and Rs. 0.43 respectively. With this low

**TABLE-2**  
**PER CAPITA INCIDENCE OF SERVICES, 1970-71**

<i>Service</i>	<i>Per Capita Incidence (Rs )</i>
Public Health	14.71
Public Convenience	3.36
Public Safety	2.01
Public Education	0.43

Source : Collected and compiled from Statistical Abstract of Haryana, 1970-71.

level of expenditure municipal committees cannot be said to have provided a reasonable standard of services.

This most important function of the municipalities is that of public health. Under public health are included a large number of services such as water supply, sanitation and conservancy, drainage, medical relief, food control, parks and gardens, etc. An attempt would be made here to judge the level and quality of public health services provided by the municipalities in Haryana.

### *Water Supply*

In Haryana the initiative for the protected water supply lie with the municipal committees but the committees are helped by technical and financial assistance by the State Government. The construction of water works is carried out under the supervision of the Public Works Department, and on completion

the works are handed over to the committees. The committees have to pay as much as 14½ per cent as departmental charges. In spite of all these charges, the Public Works Department gives preference to its own works even against urgent works of the municipal committees. In several cases, where the municipal committees had deposited funds with the Department, the works could not be taken up for execution for long. This passive attitude on the part of Public Works Department and lack of funds and initiative on the part of municipal committees have been responsible for the slow development of protected water supplies in Haryana.

Very little progress was achieved before the formation of Haryana towards solving the problem of water scarcity. Even after the formation of Haryana, only a moderate progress has been made. Under the Five Year Plans attention has been given to this basic requirement of the people with the result that the number of water works has increased. This has been possible only because of the

assistance (in the form of grants-in-aid) given by the State Government and loans contracted by the municipal committees from the Life Insurance Company. Table 3 shows expenditure on water supply.

By the end of March, 1970, 42 towns had been provided with skeleton water supply schemes and 18 towns with skeleton sewerage schemes with an expenditure of about Rs. 4 crores.

Only few municipalities in Haryana can boast of adequate water supply. The minimum standard of water supply has been fixed as 30 gallons per head per day as per the Union Ministry of Health's Manual of Water Supply<sup>1</sup>. Taking this to be the minimum requirement, the water supply in the municipal committees of Haryana is inadequate. This is illustrated in table 4.

Both the municipalities and the State Government are responsible for the unsatisfactory position of water supply in Haryana. The municipalities have been reluctant to develop this service firstly because water supply is not an obligatory function under the Municipal Act, and secondly because they did not have enough funds to take up costly schemes of water works. Nor has the State Government encouraged the municipalities in this direction by giving liberal grants or loans. The facility of piped water supply is yet to be extended to several municipalities which still face hazards from the use of contaminable water sources. It has been estimated that Rs. 30 crores would be needed to provide adequate water supply and sewerage to all the urban areas in the State<sup>2</sup>. Unless sufficient funds are made available to the municipalities and water supply is made an obligatory municipal function<sup>3</sup>, there is no hope

TABLE 3

EXPENDITURE ON WATER SUPPLY

Year	Amount (in thousands of Rs.)	% to Total Expenditure
1964-65	3967	16.81
1965-66	3793	13.86
1966-67	3214	11.38
1967-68	3275	10.22
1968-69	4791	11.81

Source : Collected and compiled from :

(a) Statistical Abstract of Composite Punjab, 1965.

(b) Statistical Abstract of Haryana for the years 1966, 1968-69, 1969-70.

<sup>1</sup> Mohit Bhattacharya, *State Municipal Relations-A Functional Analysis*, New Delhi, Indian Institute of Public Administration, 1972, p. 13.

<sup>2</sup> *Civic Affairs* (August 1971), p. 35

<sup>3</sup> The Rural-Urban Relationship Committee placed water supply at the top of a List of obligatory Municipal functions. *Report of the Rural-Urban Relationship Committee*, (New Delhi : Government of India, Ministry of Health and Family Planning, 1966), Vol. I, p. 20.



TABLE 4

QUANTITY OF WATER SUPPLIED AND CONSUMED, 1966-67.

Municipal Committee	Population (census 1961)	Monthly Average Quantity Available			Monthly Average Quantity Consumed		
		Total	Filtered	Unfiltered	Domestic	Industrial	Public
		(m.l.)	(m.l.)	(m.l.)	(m.l.)	(m.l.)	(m.l.)
Rohtak	124783	215	215	—	115	—	100
Sonepat	62378	16	16	—	16	—	—
Bahadurgarh	25828	22	22	—	22	—	—
Jhajjar	18978	18	18	—	18	—	—
Beri	12336	12	12	—	12	—	—
Gurgaon	57085	26	26	—	26	—	—
Rewari	43900	41	41	—	16	—	25
Nuh	4735	6	6	—	4	—	2
Ferozepur	7962	29	29	—	6	—	23
Jhirkha							
Palwal	36225	54	54	—	31	—	23
Hodel	14148	12	12	—	12	—	—
Faridabad (N.T.)	858190	216	216	—	108	32	76
Jind	38151	2.50	2.50	—	2.50	—	—
Narwana	21322	1.60	1.60	—	1.60	—	—
Ateli	1939	2.10	2.10	—	2.05	—	05
Charkhi	19489	17.11	17.11	—	16.94	—	017
Dadri							
Mohindergarh	11497	10.33	10.33	—	9.92	—	0.41
Narnaul	31892	27.62	27.62	—	26.12	0.05	1.45
Hissar	89463	147	—	147	121	—	26
Loharu	5586	20	—	20	20	—	—
Hansi	41078	68	68	—	68	—	—
Bhiwani	74065	131	131	—	60	8	63
Sirsa	48801	113	113	—	92	1	20
Dabwali Mandi	20933	98	98	—	79	—	19
Kalanwali	6530	73	73	—	42	10	21
Ambala	83649	13	—	13	4.50	0.35	8.15
Jagadhri	35096	37.42	—	37.42	20.00	—	17.42
Yamuna Nagar	72630	40.83	40.83	—	18.00	17.83	5.00
Kalka	17616	17	17	—	7.50	—	9.50
Karnal	92835	25.74	25.74	—	25.74	—	—
Kaithal	45231	13.51	13.51	—	13.51	—	—
Panipat	88071	545.02	545.02	—	437.38	0.82	106.82
Shahbad	21494	2.38	2.38	—	1.36	—	1.02
Thanesar	29558	6.00	6.00	—	5.37	—	0.63

Source : Collected from District Statistical Office.

In 1966-67, only 34 out of 59 municipal committees were supplying protected water to their inhabitants.

of ensuring an adequate regular supply of safe water to the citizens in the near future. The Municipal Act should be amended on the lines of the Maharashtra Municipalities Act of 1965 under which "every municipality must prepare and execute a scheme for the supply of protected drinking water within a specified period. If a municipality is unable to prepare the plans and estimates and execute the scheme, it may apply to the State Government for assistance. When a municipality fails to prepare and execute a scheme, it is presumed that it has committed default in the performance of its statutory duty and the consequences of default follow. For the purpose of ensuring that adequate funds are available with the municipality to investigate and prepare plans and estimates, and execute schemes for water supply, the law provides for the creation of a separate 'Water Supply Reserve Fund'. The municipality is obliged to deposit in that fund annually such percentage of its general revenue as determined by the State Government at the time of sanctioning a scheme and before giving any guarantee to municipal loan. If the State Government finds that the municipality has failed to make deposits in the 'Water Supply Reserve Fund', it may take over the fund and direct the bank in which the moneys of the municipality concerned are deposited to pay from the amount to the credit of the municipality such sum as might be due to the Reserve Fund".<sup>4</sup>

#### *Conservancy and Sanitation*

Conservancy is one of the most important services on which the health and sanitation of the town/city largely depends. It consists of cleaning of roads and foot-paths, removal and disposal of domestic garbage, refuse and rubbish of the town, collection and disposal of night-soil, collection and removal of silt from gully pits, sewers and drains and main-

tenance of dumping and trenching grounds. Conservancy and sanitation is the most expensive municipal service of all the items of public health since it requires a large number of workers to execute the operations. The expenditure incurred on this service is given in the Table below:

TABLE 5  
EXPENDITURE ON CONSERVANCY AND  
SANITATION

Year	Amount (in thousands of Rs.)	% to total expenditure
1964-65	3982	16.91
1965-66	3590	13.11
1966-67	5563	19.69
1967-68	4738	14.79
1968-69	8042	19.81

Source : Collected and compiled from:

- (a) Statistical Abstract of Composite Punjab, 1965.
- (b) Statistical Abstract of Haryana for the years 1966, 1968-69 and 1969-70.

The expenditure on conservancy and sanitation has registered an upward trend. This is due to factors like extension of municipal areas, increase in the number of sanitary staff and their salaries, mechanization of equipment and rise in the cost of equipment and material.

#### *Removal and Collection of Refuse*

The Collection of refuse in municipalities is far from satisfactory. The house dwellers make their own arrangements for collection of domestic refuse. Generally, they employ private sweepers who mix up night-soil along with refuse and throw it on a place specified by the municipality or on the street. The municipal collection service is limited only to removal of refuse from dust-bins or enclosures through bullock carts or tractor-trolleys. These transportation vehicles are open and not maintained in good repair.

<sup>4</sup> M. Bhattacharya, *Essays in Urban Government*, (Calcutta : World Press, 1970), pp. 145-46.

Besides, the public dust bins are inadequate in number. Nor are they emptied of their contents as soon as they become full. They are the flybreeding centres and the happy haunting grounds of pariah dogs.

For efficient collection and removal of refuse the following suggestions may be useful :

1. Removal of refuse should be speedy, that is minimum time should be taken for loading and unloading and shortest route of journey should be followed.

2. Refuse should be removed at regular intervals and proper records maintained showing the volume of work done by each collection unit.

3. Vehicles carrying the refuse should be covered so as to prevent refuse from flying all over.

4. Dust-bins, sufficient in number, should be placed at different places and should be of a standard pattern.

5. Refuse should not be allowed to get fermented before removal.

The task of disposal of refuse is very difficult. Various methods to achieve this end are in vogue. The choice of the method depends largely on local conditions. In a majority of municipalities the refuse is either dumped into the low-lying areas or converted into compost. In some cases trenching is also adopted if low-lying areas are not available.

### *Drainage and Sewerage*

In most of the municipalities, the drainage system is extremely inadequate and unsatisfactory. Very few municipalities have covered drains, and the open drains constitute a menace to public health and sanitation, especially because of outfall problems. Mostly drains are

5" diameter and have been laid on the gradient of streets. Some of the drains are at the level of roads, the flow of water is sometimes obstructed due to refuse, resulting in a long trench full of flies and filth. During dry weather, sillage and refuse get stuck up at places for want of sufficient flow of water. Liquid excreta and wasting usually run into open drains. Further, arrangements for carrying storm water during the monsoon are extremely inadequate resulting in overflowing of drains. Whatever has been spent on drainage has been mostly either on repairs or extension of surface drains. Expenditure on drainage forms a very small part of the total expenditure as indicated below :

TABLE 6  
EXPENDITURE ON DRAINAGE

Year	Amount (in thousands of Rs.)	% to total Expenditure
1964-65	2305	8.65
1965-66	2407	8.79
1966-67	1748	6.18
1967-68	2405	7.51
1968-69	2740	6.75

Source : Collected and compiled from :

(a) Statistical Abstract of Composite Punjab, 1965.

(b) Statistical Abstract of Haryana for the years 1966, 1968-69 and 1969-70.

The provision of drainage is a necessary corollary to the establishment of water supply in a town. When water is supplied to certain premises, the disposal of the waste water becomes a problem. Unless a proper drainage scheme exists the water collects in cess pools and becomes a menace to public health. It is, therefore, essential that when a water supply scheme is undertaken, provision should also be made for a drainage scheme. According to the Union Ministry of Health's Manual of Water Supply, underground drainage is necessary before the supply of water could be increased beyond 15 to 20 gallons per head per day.<sup>5</sup>

<sup>5</sup> Quoted in Mohit Bhattacharya, *State Municipal Relations : A Functional Analysis*, (New Delhi, I.I.P.A., 1972), p. 13

Haryana as a whole terribly lacks in provision of adequate sewerage facilities. Even in those towns which are provided with sewers all the latrines are not connected to the sewers. In such places and others which have not been sewered, the system is that night-soil is collected in baskets by customary sweepers and deposited, along with other rubbish, in enclosures situated in public places. These enclosures are cleaned later and the night soil is transported in bullock-carts or tractor-trolleys to the compost pits. The carts are generally in bad repair and leak on the road and the enclosures are the breeding grounds for flies. The result is that all establishments in their immediate vicinity are under constant threat from these insects.

The municipalities have, in general, not made satisfactory arrangements for public latrines and wherever they have been provided, their condition is far from satisfactory. The excreta is not promptly collected. It generally stagnates behind the latrines resulting in bad smell spreading throughout the localities. Moreover, some of the public latrines are in the middle of residential localities. As a matter of fact, they should not be constructed near public places and should be properly and timely cleaned.

The best way to dispose of human excreta without pollution of soil and exposure to flies is the 'water Carriage System'. This is a very costly method but once the cost is incurred the outlay is most remunerative, as it improves sanitation, prevents diseases and makes epidemics and death more remote. This system, if properly designed, is the cleanest and most rapid, convenient and effective method of removal of liquid refuse.<sup>6</sup> Sewerage without adequate water supply leads to deposition of sewage solids in sewers. Therefore, sewerage system is possible only in those towns and cities which have an adequate water supply.

Since most of the municipalities in Haryana are small in size and cannot afford to have sewerage system, underground sewerage can only be a long-term target. But larger municipalities, which have an adequate water supply, should introduce underground sewerage. Sewage is very much in demand in every town. The municipalities can earn revenue, as a few at present do, by selling sewage to the urban farmers.

### Medical Relief

Medical relief includes maintenance of hospitals and dispensaries and the control of communicable diseases.

Municipalities in Haryana, in general, do not own and run hospitals or dispensaries. Nor do they maintain maternity homes and child welfare centres. They simply employ one or two vaccinators for vaccination against small-pox and inoculations to secure immunity from cholera, plague, or enteric fever when these are suspected to have broken out in an epidemic form. The expenditure under the head 'Medical Relief' is incurred mostly by way of annual contribution towards provincialized hospitals and dispensaries and on the salaries of vaccinators engaged by the municipalities.

TABLE 7  
EXPENDITURE ON MEDICAL RELIEF

Year	Amount (in thousands of Rs.)	% to Total Expenditure
1964-65	763	3.23
1965-66	1146	4.18
1966-67	1175	4.15
1967-68	1534	4.78
1968-69	1341	3.30

Source : Collected and compiled from :

(a) Statistical Abstract of Composite Punjab, 1965.

(b) Statistical Abstract of Haryana for the years 1966, 1968-69 and 1969-70.

<sup>6</sup> In this connection, see J. Krishnaswamy, *Studies in Local Finance and Taxation with Special Reference to Madras State* (Bombay : All-India Institute of Local Self-Government 1958), p. 56.

Though the municipalities in co-operation with the State Government have been, to some extent, able to eradicate plague, small-pox and cholera, fever is still playing havoc with human life and ranks among the major causes of death and sickness in the State. This is because the people take fever lightly and, therefore, do not care to visit the hospitals for treatment. Even when they do at a later stage, they are not properly attended. The Government hospitals are overcrowded and the staff and equipment are inadequate to cope with the increase of the patients. Table 8 gives the total number of deaths along with causes in the municipal committees of Karnal district.

In view of overcrowding in government hospitals it is desirable that the municipalities should start Homoeopathic and Ayurvedic dispensaries for the treatment of persons suffering from minor diseases and fever, which if not checked at the initial stage, may prove fatal. The State Government should bear half of the expenditure on dispensary building and

equipment and the other half should also come from the State Government in the shape of grant. The Government should also contribute half the sum towards the salaries of the medical officers.

### *Food Control*

One of the important functions of municipalities in the field of public health is to ensure that articles of food and drink are produced, processed, stored and served in hygienic conditions and are free from contamination and risks of reducing their original nutrition value. But the municipalities of Haryana are performing this function rather perfunctorily. The Food Adulteration Act is not vigorously enforced. Cases of food articles being produced and processed under the most unhygienic conditions are numerous in every town. Unlicensed dairies and cattle sheds are common. There is no cooperation and coordination between the municipal authorities and the State Health Department in checking adulteration of articles of human consumption.

TABLE 8

NUMBER OF DEATHS BY CAUSES : MUNICIPAL COMMITTEES OF KARNAL DISTRICT, 1967-68

<i>Municipal Committee</i>	<i>Cholera</i>	<i>Small-pox</i>	<i>Plague</i>	<i>Fever</i>	<i>Dysentery &amp; Diarrhoea</i>	<i>Respiratory diseases</i>	<i>Other causes</i>	<i>Total</i>
Karnal	—	2	—	207	11	16	449	685
Gharaunda	—	—	—	11	—	2	19	32
Kaithal	—	—	—	192	—	1	143	336
Ladwa	—	—	—	15	4	—	14	33
Panipat	2	4	—	341	11	1	243	602
Pehowa	—	—	—	26	—	—	11	37
Pundri	—	—	—	23	—	—	29	52
Radaur	—	—	—	24	1	—	26	51
Shahbad	1	—	—	27	4	1	91	124
Thanesar	—	—	—	27	1	—	88	116

Source : Collected from District Statistical Office, Karnal.

## Markets and Slaughter Houses

It is much easier and better to control the wholesale dealer than the retailer. The collection of samples of unwholesome and adulterated food and sanitary inspection of premises would be more useful if carried out in wholesale producing and processing establishments. Some of the important food establishments which need proper regulation and frequent checking are slaughter-houses and markets. Unfortunately the municipalities in Haryana do not seem to be alive to their responsibilities in this regard. There are a large number of municipalities which do not spend anything on markets and slaughter-houses. Table 9 shows the total amount spent by the municipalities on construction and maintenance of markets and slaughter-houses.

TABLE 9  
EXPENDITURE ON MARKETS AND  
SLAUGHTER HOUSES

Year	Amount (in thousands of Rs.)	% to Total Expenditure
1964-65	128	0.54
1965-66	74	0.27
1966-67	64	0.22
1967-68	182	0.56
1968-69	88	0.21

Source : Collected and compiled from :

- Statistical Abstract of Composite Punjab, 1965.
- Statistical Abstract of Haryana for the years 1966, 1968-69 1969-70,

The meagre amount spent by the municipalities on markets and slaughter-houses is a clear evidence of the fact that the municipalities in Haryana have not so far realized the importance of maintaining markets and slaughter-houses. The few markets, which the municipalities own, are located in unhealthy surroundings. Further, in the absence of slaughter-houses, animals are indiscriminately slaughtered at various places in the town by private individuals

without medical examination. This causes great danger to public health as well as much revenue loss to the committees. Table 10 gives the number of slaughter-houses and of animals slaughtered in them in the municipal committees of Karnal District which represents the picture of slaughter-houses in the municipalities in general

TABLE 10  
NUMBER OF SLAUGHTER-HOUSES IN THE  
MUNICIPAL COMMITTEES OF KARNAL  
DISTRICT, 1967-68

Municipal Committee	Number of Slaughter Houses	Number of Animals Slaughtered
Karnal	1	2058
Kaithal	1	115
Gharaunda	1	25
Ladwa	1	—
Panipat	1	823
Pehowa	—	—
Pundri	—	—
Radaur	—	—
Shahabad	1	2
Thanesar	—	—

Source : Collected from the Offices of Municipal Committees.

The table reveals that four out of ten municipalities did not have slaughter-houses in 1967-68. Even now these four municipal committees of Pehowa, Pundri, Radaur and Thanesar are without slaughter-houses. Both in the interest of public health and for earning revenue, the provision for slaughter-houses should be an obligatory function of the municipalities.

## Parks and Gardens

Parks and gardens in the midst of thickly populated localities have an intimate bearing on public health. But the municipalities in Haryana have not realized the importance of parks and gardens. There are at present a large number of municipalities which do not maintain parks and gardens. For instance, out of the fourteen municipalities of Gurgaon district none has garden and only eight

have parks. Even out of these eight only three maintain more than 2 parks. In most of the municipalities the maintenance of the few parks and gardens that they possess is much below the standard, largely because they have no specially trained staff for the purpose. Table 11 shows expenditure on the construction and maintenance of parks and gardens.

TABLE 11  
EXPENDITURE ON PARKS AND GARDENS

Year	Amount (in thousand of Rs.)	% to Total Expenditure
1964-65	96	0.40
1965-66	134	0.48
1966-67	188	0.66
1967-68	278	0.86
1968-69	619	1.52

Source : Collected and compiled from :

- (a) Statistical Abstract of Composite Punjab, 1965.
- (b) Statistical Abstract of Haryana for the years 1966, 1968-69 and 1969-70.

The provision of parks and gardens should be made an obligatory municipal function. The municipalities should maintain a regular trained municipal horticulture staff to look after the maintenance of parks and gardens.

#### *Miscellaneous Health Measures*

Besides the above health services, the municipalities do many other things also in the interest of the health of the people, e. g., maintenance of burial and cremation grounds, regulation of offensive and dangerous trades, holding of cattle fairs, regulation of building operations, health publicity and propaganda work, etc. The expenditure on these measures is given in Table 12.

TABLE 12

#### EXPENDITURE ON MISCELLANEOUS HEALTH MEASURES

Year	Amount (in thousand of Rs.)	% to Total Expenditure
1964-65	263	1.11
1965-66	343	1.25
1966-67	549	1.94
1967-68	651	2.03
1968-69	101	0.24

Source : Collected and compiled from :

- (a) Statistical Abstract of Composite Punjab, 1965.
- (b) Statistical Abstract of Haryana for the years 1966, 1968-69 and 1969-70.

An overall idea of the scales of different health services performed by the municipalities may be gathered from Table 13.

TABLE 13

#### PER CAPITA INCIDENCE OF HEALTH SERVICES, 1971

Service	Per Capita Incidence (Rs.)
Water Supply	6.03
Conservancy	5.01
Drainage	2.92
Medical Relief	0.69
Food Control	0.06
Miscellaneous	0.20

Source : Collected and Compiled from Statistical Abstract of Haryana, 1971.

The figures show clearly that the services are rendered on considerably limited scales. Undoubtedly, under the impact of Five Year Plans, expenditure on each service has increased considerably, but at the same time there has been an increase

in urban population and in the cost of providing services. In consequence, the per capita availability of municipal services has not risen to any appreciable extent. In most of the municipalities the position of health services is far from satisfactory. Very few municipalities have the facilities of safe drinking water supply and drainage. Most of them have open drains which constitute a danger to public health and sanitation. The problems of disposal of rubbish and night-soil as also of construction of an adequate number of privies, private and public, yet remain unsolved.

The inability of the municipalities to render services adequately and effectively has strengthened the movement in favour of 'provincialisation' of certain services included within the sphere of their work. This is a retrograde step and is not in conformity with the democratic set-up of the country. The remedy lies not in depriving the municipal bodies of their functions and responsibilities but in improving and strengthening their organisational and administrative set-up, allocating to them adequate financial resources and equipping them with competent personnel.





## Municipal Project Planning

A SUBSTANTIAL portion of any Municipal budget is spent on the projects.

The projects may be construction projects like constructing a hospital or school, a marketing centre or staff quarters, roads and bridges, etc., or any other development projects like immunisation against certain epidemic or providing education to so many children by a specific time or providing health services to so many people within a reasonable distance from their residences.

All these projects whether executed departmentally or through contractors consume certain resources and time during their execution. The projects executed from the funds of the tax payers are meant to provide certain services to them. The tax payer while paying from his hard-earned money expects maximum returns for it. The effectiveness of the projects largely depends on the effective utilization of time and resources spent on it. A poorly planned project may lead to under-utilization of its resources and excessive time. A raw material purchased six months earlier than the time when it is actually consumed may cost in terms of locked up capital, deterioration and storage cost. An equipment lying idle due to non-availability of raw materials or operators or between two operations would cost money. A project delayed due to improper coordination between different activities would lead to under-utilization of resources like manpower, equipment, etc. Network techniques are useful in guarding against such lapses.

The planning and scheduling of pro-

jects is traditionally done with either of the four techniques, viz. Gantt Chart, Milestone Chart, Flow Chart and Line of Balance. The Critical Path Method (CPM) was first developed by James E. Kelly of Remington Rand (UNIVAC) and Morgan Walker of Du Pont in 1957 for planning and scheduling of construction projects of the E. I. Du Pont de Nemours Company. In January 1958, development of PERT (Programme Evaluation and Review Technique) was originated by the Special Projects Office of the Navy Bureau of Ordinance, which was charged with the overall management of the Polaris Missile Programme. Though, initially, the two techniques developed by independent organisations had points of difference, with use over a period of time they have narrowed down. Today, the terms CPM and PERT are used almost synonymously as Network Techniques.

### *Elements of a Network*

The technique can be used for any project where the start and the finish of the project can be identified, whether it is overhaul or installation of plant and equipment, construction of a building, a civil engineering structure, Town Planning or any other project. The size of the projects is of no consequence. Every project from start to finish would consist of a large number of activities to be carried out in a particular sequential order. The whole project can be represented in the form of a Network consisting of these activities and their sequential order.

**Activity :** An activity is a task consuming time and/or resources which must be carried out for the completion of the project. This is represented by a line and an arrow in the network.

**Event :** An event is the beginning or the end of an activity or a group of activities. It is a point of time in the duration of the project and does not consume resources. This is usually represented by a circle with a number.

### The Graphical Representation

Every activity has a starting and ending event called the 'proceeding' and 'succeeding' events or "tail" and "head" events. In Fig. 1, activity 'D' must be carried out in order to proceed from event i to event j.

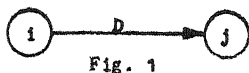


Fig. 1

### The Logical Sequence

The logical sequence or technological sequence of activities as it is called, follows the simple rule that an activity which cannot be started till another activity has finished must emerge from the "head" event of the other activity which would then form the 'tail' event of this activity. If activity B has to be preceded by activity A, they would be represented as shown in Fig. 2.

And if activity C has also to be preceded by activity A, they would be represented as shown in Fig. 3.

This rule leads to two fundamental properties :

(1) An event cannot be said to occur unless all the activities leading into it are completed.



Fig. 2

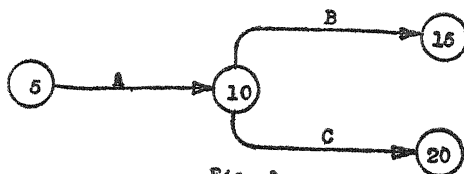


Fig. 3

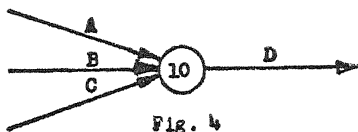


Fig. 4

For example, in Fig. 4, event 10 will occur when activities A, B and C are complete.

(2) An activity cannot start unless its "tail" event has occurred.

In Fig. 4 activity D can start only after event 10 has occurred.

### Errors in Logic

Errors may be committed while preparing the network for a project. Some of these errors may be difficult to detect. But two of the situations called: (i) Looping, and (ii) Dangling are invalid situations and can be straightway identified as errors in the network.

#### (i) Looping

Consider the situation in Fig. 5 where activity A has the tail event as 4 and head event as 5, activity B has the tail event 5 and head event 6 while activity C has tail and head events as 6 and 4 respectively. In such a situation activities A, B and C together are said to form

a "loop". This represents an invalid situation and is identified as error in the network.

Looping errors can be avoided by adopting the following two conventions :

- (a) The head event of each activity should be assigned a number higher than its tail event.
- (b) The activity arrows are shown from left to right.

## (ii) Dangling

Another kind of error that may occur while preparing the network is called "Dangling".

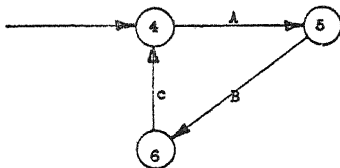


Fig. 5

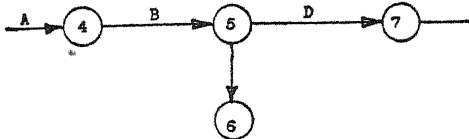


Fig. 6

In Fig. 6 activity C or 5-6 is called a dangling activity as it is an isolated activity in the network and no activity follows it. Such dangling activities are not accepted in the network except in special cases where we recognise more than one starting or ending event for the project.

Dangling errors can be avoided by the following two simple rules :

- (a) Each event except the starting and ending event of the project must be preceded and followed by at least one activity.

- (b) Each activity must have a tail and a head event.

## Dummy Activities

In order to represent the correct sequence of activities, it is necessary sometimes to take help of dummy activities. Dummy activities do not consume time or resources. However, they follow the same sequence rules as other activities. They are usually represented by dotted lines.

Let us take an example where two activities have to run parallel and have the same tail and head events. They would probably be represented as shown in Fig. 7.

This may lead to confusion in analysis. Such a confusion may be avoided by representing it as in Fig. 8.

This represents the same logical sequence and takes the help of a dummy activity 2-3. This is called an "Identity Dummy".

Let us take another situation as shown in Fig. 9.

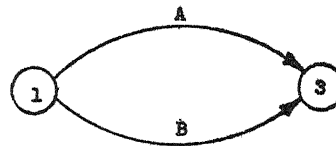


Fig. 7

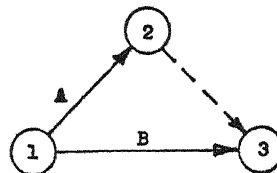


Fig. 8

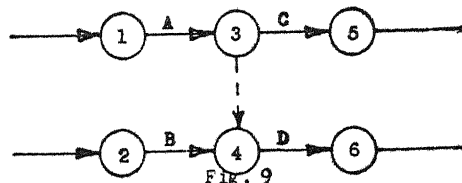


Fig. 9

In this situation, activity D must follow both activities A and B but activity C has to follow only activity A and does not depend on activity B. Such a situation could not have been represented otherwise without the help of dummy activity 3-4. This is called a "Logic Dummy".

### Parallel Activities

There are many situations in practice where an activity cannot be started unless another activity has started but can start when the other activity is only partially complete and not fully complete. Let us take the case of constructing a wall and plastering it. Plastering can start when a portion of the wall is ready and then go concurrently with the construction of wall and finish only after the construction of the wall has finished.

One of the ways in which this can be represented is to divide the activities into components and show them in sequence. This is shown in Fig. 10. Another way in which parallel activities can be

represented is the use of a "ladder" as shown in Fig. 11.

This method makes use of real time dummy activities which do not consume any resources. Fig. 11 represents that the plastering can start only after 3 days of the start of construction of the wall and go on concurrently after that and finish only after 3 days of the completion of the construction. Similarly, painting can start only 5 days after the start of plaster and finish 5 days after the finish of plaster.

### Time Durations

Each activity is likely to consume certain amount of time for its completion. This may be estimated as a single time estimate as the expected time for each activity. This may be called a certain situation when the time duration of each activity can be estimated with reasonable amount of certainty. Many a times it is not so and in that case it may be more

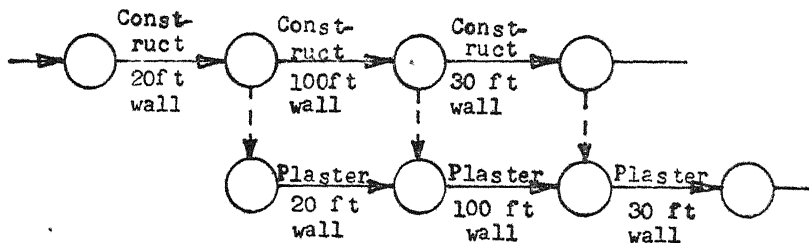


Fig. 10

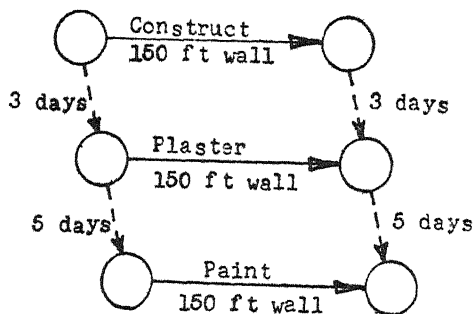


Fig. 11

convenient to make three time estimates, as "optimistic", "most likely" and "pessimistic". This is the situation for which PERT was initially designed and may be called as a distinction from CPM which assumes only one time estimate.

PERT assumes a  $\beta$  distribution of time duration and the three time estimates may then be converted into a single expected time by the following formula :

$$t_e = \frac{t_o + 4 t_m + t_p}{6}$$

where  $t_e$  = expected time  
 $t_o$  = optimistic time  
 $t_m$  = most likely time  
 $t_p$  = pessimistic time.

Another advantage of taking three time estimates is that the probability of completion of an activity within a particular time can be estimated.

#### Time Analysis

After the network for the project has been drawn and time estimates assigned to each activity one may be interested in working out a time schedule for the execution of activities and the minimum completion time of the project. Let us take a small network as shown in Fig. 12 which

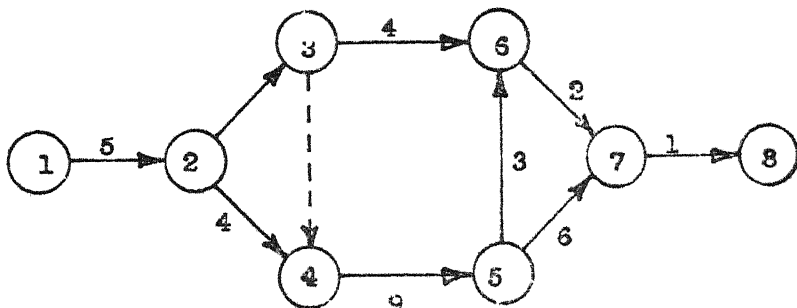


Fig. 12

consists of 9 real activities and 1 dummy activity. There are 8 events in the network with event 1 as the starting event of the project and event 8 as the ending event. The digits shown on the activities are the estimated time duration for each activity.

#### Total Project Time

The total project time is the smallest time duration in which the whole project can be completed. The smallest time for the completion of the project shall be determined by the longest chain of activities leading from the starting event to the ending event called the Critical Path.

The identification of this longest chain of activities can be determined by analysing in steps for each event, the longest chain of activities leading to it which would determine the earliest time for that event. We start with assigning time 0 to event 1. Clearly the earliest time when event 2 can be reached is after 5 units and event 3 after 6 units. This may be written above the event while analysing.

Now, let us take event 4. Event 4 can be reached through two ways as :

- (a) 1-2-4
- (b) 1-2-3-4

In the first chain 1-2-4, event 4 could be reached in 9 units of time while in the second chain 1-2-3-4, event 4 could be reached in only 6 units of time. So, the longest chain takes 9 units and this is the earliest time in which event 4 could be reached. Event 5 would be reach-

ed only through event 4 and this could be reached in  $9+9=18$  units of time. Event 6 could be reached either through event 3 or event 5. Through event 3, it could be reached in  $6+4=10$  units of time while through event 5, it could be

reached only in  $18+3 = 21$  units of time. So, the earliest time for event 6 is 21 units. Similarly, the earliest times for event 7 and 8 can be worked out as 24 and 25 units of time.

The total duration of the project is the same as the earliest time of the ending event 8 or 25 units.

#### *Earliest Event Time*

The earliest time for each event can now be listed as follows :

<i>Event</i>	<i>Earliest Time</i>
1	0
2	5
3	6
4	9
5	18
6	21
7	24
8	25

#### *Latest Event Time*

Latest event time is the time when an event could be reached without affecting the total duration of project, *i.e.*, still completing the project in the shortest time. For some of the events this may be same as the earliest event time. This will be true for events falling on the critical path but not for all the events. Latest event times may be worked out by a backward pass starting from the ending event to the starting event.

In this case we start from event 8 and assign the latest time to this event the same as the earliest time, *i.e.*, 25 units. Now, we move backwards to event 7, for which the latest time would be  $25-1$  (time duration of activity 7-8) = 24. Similarly for event 6, it would be  $24-2 = 22$  units. Event 5 could be reached in the backward pass in two ways :

- (a) 8-7-5
- (b) 8-7-6-5

In the first case the latest time works out to  $24-6 = 18$  units while in the second case as  $22-3 = 19$  units. We take the smaller of the two, *i.e.*, 18 units which is the latest time for event 5.

Similarly, the latest time for event 4 works out to  $18-9 = 9$  units. Event 3 could be reached through event 6 which works out to  $22-4 = 18$  units or through event 4 which works out to  $9-0 = 9$  units. So, the latest time for event 3 is 9 units. Similarly, the latest time for events 2 and 1 work out to 5 and 0 respectively. The latest time for the starting event should always work out to 0.

The latest time for each event can be listed as :

<i>Event</i>	<i>Latest Time</i>
1	0
2	5
3	9
4	9
5	18
6	22
7	24
8	25

#### *The Critical Path*

The Critical Path can now be identified as the path connecting the events having same earliest and latest time. In the above network it is 1-2-4-5-7-8.

The activities on this path, *viz.*, 1-2, 2-4, 4-5, 5-7, 7-8 are called critical activities.

<i>Event</i>	<i>Earliest Time</i>	<i>Latest Time</i>
1	0	0
2	5	5
3	6	9
4	9	9
5	18	18
6	21	22
7	24	24
8	25	25

## Activity Times

An activity cannot start unless its tail event is reached and cannot continue after the head event is reached. So, the times of tail and head events of the activity fix the boundaries within which the activity can be executed. This can be understood by the four activity timings, viz.

**Earliest Start Time :** The earliest time when an activity can be started is the earliest time when its tail event is reached. So, the earliest start time of an activity is the same as the earliest time of its tail event.

**Earliest Finish Time :** The earliest time when an activity can be finished would be when we start the activity at the earliest time. So, the earliest finish time of the activity can be obtained by adding the activity duration to the earliest start time of the activity.

**Latest Finish Time :** Latest finish time of the activity is the same as the latest time of its head event.

**Latest Start Time :** Latest start time of the activity would be such that it can be finished by the latest finish time. So, this can be obtained by subtracting the activity duration from the latest finish time.

In the above network, the four activity timings for each activity can be obtained as

Activity	Duration	Start Time		Finish Time	
		Earliest	Latest	Earliest	Latest
1-2	5	0	0	5	5
2-3	1	5	8	6	9
2-4	4	5	5	9	9
3-6	4	6	18	10	22
4-5	9	9	9	18	18
5-6	3	18	19	21	22
5-7	6	18	18	24	24
6-7	2	21	22	23	24
7-8	1	24	24	25	25

It may be noticed that the earliest start time of the activity, is same as the earliest time of its tail event but the latest start time of the activity may or may not be the same as the latest time of the tail event. Similarly, the latest finish time of the activity is the same as the latest time of its head event but the earliest finish time of the activity may or may not be same as the earliest time of the head event.

## The Matrix Method

The time analysis of the network for determining the total project time, earliest and latest times of events and activities may also be made by an alternative method which is more suitable for computer processing called the "Matrix Method".

The method consists of drawing a simple square matrix with two more rows and columns than the number of events in the network. For the above network it is a 10x10 matrix.

Draw a diagonal through the matrix from the first column of the first row to the last column of the last row. Label the last column of the first row as E and the last row of the first column as L. Label the first column as i and list all the event numbers in sequence. These will be identified as tail event numbers. Similarly, label the first row as j and list all the event numbers in sequence. They will be identified as the head event numbers. Enter the activity duration of each activity in the respective block under its tail event number and the head event number. Enter for a dummy activity. The matrix looks as shown in Fig. 13.

For working out the earliest event times, follow the following procedure : Against the tail event number 1 in the E column enter 0 which is the earliest time of event 1. Now we come to the next row, i.e., the row marked with tail event 2. Proceed along this row till you

1	1	2	3	4	5	6	7	8	E
1		5							0
2			1	4					5
3				0		4			6
4					9				9
5						3	6		18
6							2		21
7								1	24
8									25
L	0	5	9	9	18	22	24	25	

Fig. 13

1	1	2	3	4	5	6	7	8	E
1		5							
2			1	4					
3				0		4			
4					9				
5						3	6		
6							2		
7								1	
8									
L									

Fig. 14



encounter the diagonal. See the figure above the diagonal. In this case it is 5, add this to the corresponding figure in the E column which is 0 to get 5. Enter 5 in the E column against tail event number 2. This is the earliest time of event 2. Similarly, proceed to tail event 3, move along the row till you encounter the diagonal. The figure above the diagonal is 1. Add this to the corresponding figure in the E column which is 5 to get 6. Enter 6 in the E column against tail event 3. Now, proceed to the next row. In this case there are two figures above the diagonal, *i.e.*, 0 & 4. Adding 0 to corresponding figure in the E column gives  $0+6=6$  while adding 4 to the corresponding figure in the E column *i.e.*, five gives  $4+5=9$ . Take the higher figure, *i.e.*, 9 and enter this in the E Column against tail event 4 to get the earliest time of event 4. Similarly, proceed row by row to tail event 8 to get the earliest event time in the E column.

For working out the latest event times, we repeat the same process in the backward direction column by column starting from  $j=8$  and proceeding back to  $j=1$ . Under the column with  $j=8$  enter the same figure in the L row as in the E column against  $i=8$  *i.e.*, 25 which is the latest time of event 8. Now proceed to the next column with  $j=7$ . Move along the column till we encounter the diagonal. Take the figure on the right of the diagonal *i.e.*, 1 and subtract it from the corresponding figure in the L row *i.e.*, 25 to get  $25-1=24$ . Enter this L row corresponding to the head event 7 which is the latest time of event 7. Then, proceed to column with  $j=6$ . Move along the column till we encounter the diagonal. Take the figure on the right of the diagonal *i.e.*, 2 and subtract it from the corresponding figure in the L row, *i.e.*, 24 to get  $24-2=22$  which is the latest time of event 6. Similarly, proceed to column with  $j=5$ . In this case there are two figures on the right of the column *i.e.*, 3 & 6. Corresponding to 3, we get  $22-3=19$  and corresponding to 6, we get  $24-6=18$ . Take the smaller figure, *i.e.*, 18 and enter

in the L row. Similarly, we get the latest time of all the events in the L row.

From the earliest and latest event times, we can obtain the earliest and latest start and finish times of each activity and the critical path in the same manner as before. It may be noticed that this method is not different from the graphical method discussed earlier in any substantial way. We are simply conceptualizing the network in a different way. This is very helpful in computer processing because the computer does not understand the network.

### Float

We have seen that the total duration of the project is determined by the chain of activities from the starting event to the finishing event that takes the maximum length of time called the critical activities. But, apart from this there are other chains of activities which do not take as much time as the longest chain. Some amount of delay in these activities may not delay the completion of the entire project. As long as we are interested in the completion of the entire project in time, there are some activities, *viz.*, critical activities which must be finished in the minimum time. Other activities have a certain amount of "float" available with them.

It was seen that an activity can be started on the earliest time of its tail event called the earliest starting time of the activity and may be completed by the latest time of its head event called the latest finishing time of the activity. Let us take for example activity 3-6 which can be started earliest at 6 units of time and completed latest by 22 units of time. So, we really have  $22-6=16$  units of time within which the activity can be completed. But the activity duration is only 4 units. We have an additional 12 units of time available to us. This additional 12 units of time may be utilized either in the beginning, *i.e.*, instead of starting the activity at 6 units, we start it as late as 18 units to finish it by 22 units.

Or it may be utilized in the duration of the activity, *i.e.*, we take longer to complete the activity. Or else it may be utilized at the end of the activity after completing the activity at 10 units of time.

This additional time available within which the activity can be adjusted is called the "total float" of the activity. For activity 3—6, it is 12 units.

#### *Free Float*

Now let us see activity 6—7 which can be started earliest at 21 units and can be completed latest by 24 units but consumes only 2 units of time. So, we have a total float of 1 unit for this activity. But say, if we have consumed all the 12 units of float available to activity 3—6 and complete it only at 22 units, there is no float left for activity 6—7 which has to be completed by 24 units of time. But, if we complete activity 3—6 by 21 units of time, the total float available to activity 6—7 remains unaffected as 1 unit. So, we can consume up to 11 units of float out of a total float of 12 units available to activity 3—6 without affecting the total float of activity 6—7. So, we see that activity 3—6 has a "total float" of 12 units and a "free float" of 11 units. So, free float is the duration by which an activity can be delayed without affecting the subsequent activities.

#### *Independent Float*

Now, let us see activity 2—3 which can be started earliest at 5 units and completed latest by 9 units but consumes only 1 unit of time. So, it has a total float of 3 units. But if we consume this float of 3 units, activity 3—6 can be started only at 9 units of time. And if we don't want to affect the subsequent activities, activity 3—6 has to be completed by 21 units. So, the remaining float left for this activity is only  $21 - 9 - 4 = 8$  units which we call as "independent float". Independent float is the time duration by which an activity can be delayed without affecting its subsequent or preceding activities.

From the above discussion we can easily see that

$$\text{total float} = \text{latest head event time} - \text{earliest tail event time} - \text{activity duration}$$

$$\text{free float} = \text{earliest head event time} - \text{earliest tail event time} - \text{activity duration}$$

$$\text{independent float} = \text{earliest head event time} - \text{latest tail event time} - \text{activity duration}$$

#### *Slack*

The amount of flexibility available for the completion of certain activities may also be studied in a different way from the amount of delay that could be allowed in reaching a certain event. Events have their earliest and latest times and difference between these two is called the "slack time" of the event.

$$\text{slack} = \text{latest event time} - \text{earliest event time}$$

#### *Negative Float*

Sometime we have a fixed target date for the completion of a project. This target date may be earlier or later than the expected completion date of the project when the activities are completed in the expected time. In such a case it may be advantageous to make the backward pass of the analysis keeping this date in view which then becomes the latest time for the finishing event and the latest time of other events are worked accordingly. If the target date is beyond the expected completion date we may have some amount of float available even in the critical activities and all the activities in the project would have a positive float. And, if the target date is earlier than the expected completion date, we may have a negative float in the critical activities and possibly some other activities. In such case, we would identify the critical path as the

one with maximum negative float. So, in general, we can say that the critical path is the path with minimum float.

### *Resource and Cost Analysis*

In addition to consuming time, every activity consumes certain resources during its execution. And the resources cost money. Activities may consume resources in different patterns. An activity may require certain resources at a uniform rate during the period of its execution or it may require varying amount of resources at different periods during its execution. In any case the aggregate effect of a member of activities being executed simultaneously would be a non-uniform consumption of resources for the entire project.

Usually the availability of resources for a project are not unlimited. Normally there would be a specified level of total resources available at different periods of the entire duration of the project. Additional resources may be available at a

higher cost but there may also be a limit on the additional resources available. The management would like to make the best use of available resources at the same time trying to complete the project in time. This may be achieved by adjusting the schedule of the activities having slack time available.

### *Monitoring and Control*

The progress of the project may be reviewed periodically depending upon the total duration of the project. Say, a construction project lasting one year may be reviewed every fortnight or month. The activities completed during the review period may have consumed time and resources somewhat different from what was initially planned for them. Some of the activities may be in progress. Depending upon the progress of these activities and other changes in the situation, the estimates for the activities in progress and those yet to start may be revised in the changed situation and the new schedule worked out.

## Water Supply System of Calicut

THE City of Calicut nestling on the west coast of India, celebrated in song and folklore, is one of the most ancient centres of East West Commerce. Even as early as the first half of the 14th Century the Chinese and the Arabs maintained flourishing overseas trade with India through sea-port of Calicut.

Located on the 11° latitude, Calicut has a salubrious climate, the average maximum and minimum temperatures ranging between 86.9°F and 74.6° F. The topography of the city reveals a curious mingling of hills and dates with levels varying from plus 00 to plus 79.549 metres. A small portion falls in the low lying area with levels varying +00 to -0.608 metre.

Calicut was raised to the status of a Municipality on 3rd July 1866 under the Town Improvement Act of 1865. The population of the town at that time was 36,602 spread over an area of 30.42 sq. kilo metres. The population of the town grew rapidly. The Municipality was upgraded into a City Corporation on November 1, 1962 and 53.59 sq., kilo metres of area were added to the Town thus raising the total area of the City to 84.01 sq. K. M. The present population is 3,33,980 as per 1971 census.

### *Early Water Supply Arrangement*

Within 7 years of its birth, the Municipality of Calicut began experiencing scarcity of drinking water. The then Municipal Council decided that the water in 'Mananchira Lake' situated in the

heart of the town be exclusively reserved for drinking purposes, prohibiting its use for washing, bathing, etc. It is indeed gratifying to note that for the past one century this historic directive about the use of Mananchira water has been scrupulously observed.

### *Calicut Water Supply Scheme*

But before long this water source was found inadequate. The Council moved the Government in the matter and investigations for the supply of potable water were started in 1892. But a complete scheme known as "Calicut Water Supply Scheme", could be drawn up only by 1938. Its approximate cost was to the tune of 14.73 lakhs and it was taken up for execution in 1940. While in execution, a revised estimate for a sum of Rs. 17,53,300 was sanctioned by the Government.

But the water samples which were collected and tested in 1919 and 1936, and declared as 'fair' were found in subsequent years to carry large quantities of iron contents, injurious to health. An expert committee inspected and recommended as a remedial measure, the construction of a treatment plant costing about Rs. 7 lakhs. This scheme was completed in 1955 and the Government made over the distribution system to the Municipality on 14th April 1955. In 1956 the head works was also handed over thus bringing the entire administration of the Water Supply Scheme under the control of the city council.

\*Assistant Engineer, Calicut Municipal Corporation.

Under this Scheme a maximum of 1.5 mgd. of water is drawn from Elathur river through 5 R. C. C. infiltration wells, each 3.65 dia. constructed at a place called 'Poolakadavu' about 10.46 k. m. from Calicut. This water is treated in a treatment plant, chlorinated and pumped by means of a 75 H. P. electric motor to 2 low level R. C. C. reservoirs and one R. C. C. High level Reservoir located at Puthiyara and Malaparamba respectively.

The two R. C. C. reservoirs at Puthiyara each having a capacity of 6,00,000 litres cater to the needs of almost the entire area of the Municipal limits except Malaparamba, Karaparamba and East Hill sectors which are served by the reservoir at Malaparamba having a capacity of 1,50,000 litres.

The distribution system is divided into two districts, viz., the low level and High level ones. They are independent of one another and are fed by the reservoirs at Puthiyara and Malaparamba respectively. The distribution system from L. L. R. begins with a 560 m. m. C. I. pipe and ends with a 65 m. m. dia. one. About 10 C. I. submains and a number of A. C. submains branch off from the trunk main to serve the various parts of the town. A total length of 80.45 k. m. of distribution mains cater to the needs of the entire area of the Municipal town.

#### *Augmentation Scheme (Minor)*

As the population of the city increased rapidly and the Municipality could not fully meet the demand of water, as an emergency measure, a tube well was dug in 1961 at Vellayil and an overhead tank was constructed. The required pipe lines were laid in the nearby areas and a few street taps installed. But this arrangement proved too inadequate to meet the spiralling demand for water.

#### *Calicut Water Supply (Augmentation) Scheme*

Supply from Mananchira, Poolakadavu and Vellayil tube well proving inadequate, the Public Health Engineering Department of Kerala, at the instance of the City Corporation undertook an investigation to augment the supply. Initially a scheme for supplying 8.4 mgd. at a cost of Rs. 260 lakhs was drawn up in 1962. This was not taken up for execution as the old Municipal Town of Calicut had expanded in the meanwhile due to the addition of 53.59 sq. k. m. consequent on the town being upgraded into a city Corporation. However, the source at Poolakadavu was augmented by adding one more infiltration well with an infiltration gallery on one side of well No. 5. Further, a weir was also constructed across the river down stream of well No. 6.

As it was still found difficult to cope up with the demand since the supply could not be raised above 1.5 mgd., a revised scheme for an 18 mgd. supply from river Chaliyar costing about Rs. 325 lakhs was prepared. The Corporation entered into an agreement with the Government of Kerala on January 24, 1963, in pursuance of which the Government undertook to execute the scheme treating half of the total expenditure as grant and the remaining other half as loan, repayable by the Corporation in the manner stipulated in the agreement. The Corporation and the Government have also availed of the loan facilities given by the L. I. C. of India for the implementation of the scheme.

Under this scheme 18 mgd. of supply is drawn from Chaliyar river treated in a treatment plant; chlorinated and supplied to the entire city. Work on this scheme commenced in 1968 and was completed in the year 1971. The laying of additional distribution mains, is still in progress.

Water supply schemes are generally designed to meet the requirements for 30 years after their completion. However, in view of the limited funds available for implementing the project the following assumptions were made while designing the different features of the project.

- (a) Intake works and pumpsets to cover the requirements for the next 15 years;
- (b) Treatment works to cover the requirements for the next 10 years;
- (c) Transmission mains to cover next 15 years;
- (d) Service storage to cover next 10 years; and
- (e) Distribution system to cover the requirements for the entire design period.

This phasing of the construction programme, has to a certain extent, avoided expenditure far ahead of utility and has also helped the department to study the modern trends in the field and adopt them suitably to local conditions.

The anticipated prospective population of 1981, 1991 and 2001 provided the basis of the design for calculating the possible demands for water in the respective stages. In calculating the future population the old Municipal town and the extended area were treated independently. The density of population in the old Municipal area is 4 times higher than in the extended area. The forecast of the population was worked out according to standard methods. Taking into account the various methods, the prospective population of the city was assumed to be 4 lakhs, 5 lakhs and 6 lakhs in 1981, 1991 and 2001 respectively. A rate of supply of 136.38 litre per head per day was adopted as the water demand. The total demand thus worked out to 12 mgd. in 1981, 15 mgd. in 1991 and 18 mgd. in 2001.

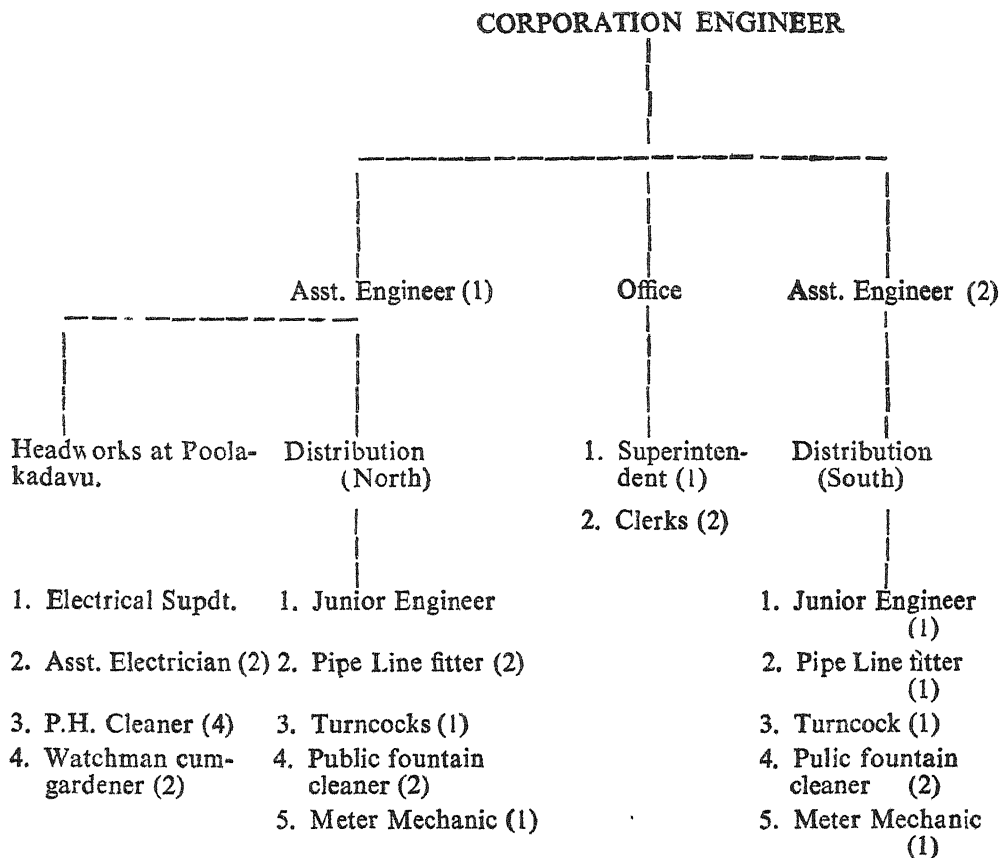
The feeding point of the augmentation scheme is Chaliyar river at a place known as 'Mavoor'. The river is also known as 'Bey pore river' in its lower reaches. One of the major rivers in the State, it is formed by the confluence of numerous streams and water channels. The Chaliyar river is an inter-state river of a total length of 169 k. m. with its origin in Tamilnadu. Investigation proved that there should be no difficulty to meet even the ultimate water requirements of greater Calicut Region estimated at 50 mgd.

#### *Administrative Set-up—Present and Future*

As stated earlier the entire responsibility of maintaining the water supply to the old municipal area from Poolakadavu, including pumping was that of the Corporation till October 1971, when water supply from Mavoor was inaugurated by the L. I. C Chairman Sri K. R. Puri. As per the agreement executed for the augmentation scheme the Headworks at Mavoor is under the control of the P. H. Engineering Department of the Government of Kerala and is their responsibility to supply water at the distribution reservoirs constructed within the city. The maintenance of the distribution system, providing street taps and house service connections including billing for the water supplied and collection remain with the Corporation. The following is the staff pattern of the Corporation attending to the maintenance of the water supply scheme.

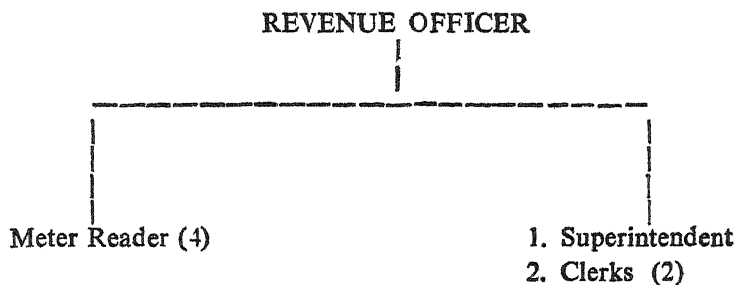
The Corporation Engineer is of the status of the Executive Engineer with the powers of Superintending Engineer to accord technical sanction to estimates. But he has got no powers to accord administrative sanction since the power vests with the Commissioner of the Corporation as per the Kerala Municipal Corporations Act, some delegation has been made to sanction house service connection estimates. After taking over of the Poolakadavu Water Supply in 1955 the Corporation has given

## Engineering Department :



Note : The Corporation engineer, Asst. Engineer, Junior Engineer and the Supdt. are also in charge of public works, drainage, etc.

## Revenue Department :



Note : The Revenue Officer and the Supdt. are also in charge of other revenue works.

3000 House Service connections both domestic and non-domestic. This number is not sufficient considering the long number of years. The main reasons that stood in the way of giving more number of H.S. connections were lack of water mains near the residences, high percentage of supervision charges (viz. 10%) that has to be paid to the Corporation upon the total estimates for taking the connection (from the ferrule at the main to the tap inside the house) and the byelaw which is more suitable for providing connections to street type houses. With the inauguration of the pumping from Mavoor, the Corporation is getting large number of applications for House service connections from every part of the city. It has been found impossible to attend to the maintenance and giving the house service connections in a satisfactory manner by the existing meagre staff strength. Action is being taken to appoint more staff and to reorganise the existing set-up to cope with the new demand.

#### *Water Supply New Byelaw*

Since it is the responsibility of the Corporation to repay the loans advanced, the Corporation Council has also initiated action to revise the existing water supply byelaws, framed in 1955 as per the Madras District Municipalities Act, 1920. The revised byelaw is based on the National Building Code of India 1970 published by the Indian Standards Institution. This new Byelaw is aimed to be more performance oriented than specification oriented. It is also aimed to give facilities to the public to take connections more easily and at less cost so that the Corporation will get more recurring revenue by way of water charges.

#### *Pricing of Water Supply*

As per the existing byelaw the Corporation is permitted to give house service connections under metered system as well as on tap rate system. Out of

3000 connections about 2700 are under metered system. About 25 per cent of the meters are out of order. It is suspected that large number of consumers themselves damage that meters. In order to put a stop to such practice and to make the consumers more civic conscious in the new byelaw provision is made to hold the consumer fully responsible for the proper maintenance of the meters.

There is no free supply of water based on property tax. But free public taps are provided. The Council took over the scheme with 159 street taps and subsequently raised to 1000. This enables the economically weaker sections to make use of the potable water free of cost. The public fountains or street taps are erected every year at the request of the Councillors subject to availability of funds.

Free taps are also given to mosques, temples and churches for drinking purposes.

#### *Billing and Collection*

As soon as connections are given by the Engineering Department the information is passed on to the Revenue Department under the charge of the Revenue Officer of the Corporation in order to take monthly readings, and to collect the water charges. There are meter readers who takes the readings and present the bills on the spot to the consumers. The consumers have to pay the bills at the Corporation treasury through challan.

It is estimated that 30-40 per cent of the dues remain in arrears.

It is expected that the entire augmentation of the distribution mains will also be completed within 2 years by the Public Health Engineering Department and the new distribution mains too will be handed over to the Corporation for maintenance. With this, the Corporation has to repay the large amounts taken as loan from the



L.I.C. and the Government. For doing this the entire administrative set-up has to be enlarged and re-organised. A separate wing has to be formed for regular maintenance and another wing for attending to the house service connection applications. The prevailing rate of water charge is as follows : for the 1st 40 k.h. at the rate of 75 per k.h. and above 40 k.h. at Re. 1 per 4 k.h. for domestic consumption and Rs. 2.50 per 4 k.h. for non-domestic consumption. This has to be raised to cope with the rising cost of the materials and establishment. At present the Corporation is getting an average amount of Rs. 2,000 per month by way of water charges, Rs. 2,000 by way of centage on House service connections and Rs. 40,000 per month by way of water tax. The expenditure on establishment comes to Rs. 14,000 and on maintenance Rs. 20,000 per month.

### *Conclusion*

No water supply scheme is considered as a complete health project, unless satisfactory arrangement exists for the collection, conveyance and disposal of spent

water. There is no sewerage system now in the city. Conservancy system is in vogue. This system is the most insanitary but every effort is made to make it as sanitary as possible. The sullage stagnates on road side drains creating a most unhealthy environment. It is high time to introduce a well designed sewerage system for the city. Any delay in taking up the scheme will only aggravate the existing problems. The Public Health Engineering Department is at present working out the details of the sewerage scheme. It is hoped that with the active support and guidance of the Kerala Government, and with the assistance of the L.I.C. the sewerage scheme will be taken up as early as possible. A considerable amount will also be required for the execution of the scheme and the Corporation will be required to pay back the amounts as in the Water supply project. With the existing rate of tax collections and the huge establishment charges it is very doubtful whether the Corporation will be able to attend to its primary duties. Hence the maintenance of water supply and sewerage should be made a separate unit and run on commercial lines in order to meet the basic necessities of the citizens

# Slums in Poona City\*

The problem of growth of slums in cities exists all over the world and Poona City is not an exception. In order to ascertain the slum population in the city a socio-economic survey was undertaken by Poona Municipal Corporation in the month of December, 1968. All the pockets of slums, *i. e.*, Zopadpatties, were visited at the time of survey and information regarding the pockets as well as of each hutment was collected. The data collected was analysed statistically, which revealed various social and economic aspects.

## *Population of Slums*

There were two hundred and fifty-one pockets in the city and number of hutments was 178,62 and population was 92,101. The mid-term population of Poona City for 1968 was 7,94,052, that means, the percentage of slum-dwellers to the total population was 11.6. The number of hutments in 1950-51 was 6304 and the population living in the same was 36726. The percentage of the slum-dwellers was thus 7.6 to the total population of 1951, *i. e.*, 4,80,982. As compared with the position in 1968, there is growth in ratio by four per cent in 18 years. The comparative figures are as under :

	1950-51	1968	Increased by times
(i) Population	4,80,982	7,94,052	1.65
(ii) Number of hutments	6,304	17,862	2.83
(iii) Number of hutment-dwellers	36,726	92,101	2.51

The above table shows that the population increased by 1.65 times, but the slum-dwellers increased by two and half times.

The growth of slum pockets started since the beginning of this century and the picture given below shows the process of growth.

<i>Period of Creation of Slums</i>	<i>Number of Slums created</i>
Before 1900	12
1901-1910	13
1911-1920	20
1921-1930	17
1931-1940	23
1941-1950	42
1951-1960	78
After 1961	44
The period not known.	2
Total	251

\*By Courtesy of Poona Municipal Corporation. The information has been collected by P. V. Advant Statistician, Poona Municipal Corporation.

The above picture cannot be said to be fully accurate as the Poona City was affected by Mutha river floods in 1961 due to damage of Panshet dam and the slums on the bank of the river were demolished. Some of them were re-established in the same place and some elsewhere.

### *Size of Slums*

The slums in Poona are spread all over the city. The size of these slum-pockets varies from 10 hutments to 1000 hutments. Generally any pocket which consists of 50 hutments or less does not create much problem for the surrounding localities; but as the size goes on increasing, the pocket becomes harmful and dangerous due to insanitary conditions and illegal activities being carried out by the slum dwellers. The following table shows the number of pockets, the number of hutments and population according to group of hutments.

<i>S. No.</i>	<i>Group of huts pockets</i>	<i>Number of hutments</i>	<i>Number of hutments</i>	<i>Population</i>	<i>Percentage</i>
1.	1 to 25	93	1,464	7,556	8.2
2.	26 to 50	66	2,393	11,825	12.8
3.	51 to 100	45	3,398	17,603	19.1
4.	101 to 200	29	4,187	22,738	24.7
5.	201 to 500	15	4,201	21,517	23.2
6.	501 and more	3	2,219	11,062	12.00
Total :		251	17,862	92,101	100.00

### *Financial Condition*

Generally, the people from weaker economic section live in slums. After analysing the data the average monthly income per family was found to be Rs. 137 only and Rs. 26 per head per month, which reveals that eighty six naye paise were available to spend per day per head.

The classification of hutments according to monthly income is as follows :

<i>Group of Income</i>	<i>Number of hutments</i>	<i>Percentage</i>
up to Rs. 50	724	4.15
Rs. 51 to 100	7326	42.04
Rs. 101 to 175	5895	33.84
Rs. 175 to 250	2403	13.79
Rs. 251 to 350	749	4.30
Rs. 351 to 450	219	1.26
more than Rs. 450	108	0.62
	17,424	100.00

The above picture shows that 80 per cent families are earning less than Rs. 175 per month. The families earning Rs. 175 to 250 are 14 per cent and remaining 6 per cent that earn more than Rs. 250 only live in slums because of some business like dairy,

provision stores, etc. The percentage of families in the income group of Rs. 51 to Rs. 100 is 42 per cent and up to Rs. 50 is about 4 per cent, thus showing that nearly half the population of slum-dwellers is unable to maintain themselves.

The slum-dwelling families which work at brick manufacturing kilns earn in the range of Rs. 150 to Rs. 200 per month, as there are more than one family members to work and earn.

### *Occupation*

Generally the slum-dwellers are labourers or self-employed in small business. Forty-one per cent of the earners are regularly at service, 45 per cent are self-employed. Generally labourers work under private building contractors and are engaged in brick-manufacturing kilns. The slum-dwellers who are self-employed sell fruits, groundnut, etc.; some are cobblers, some ply hand-carts also.

### *House Rent*

The slum-dwellers have to pay house-rent for their hutments, although some of them have not to pay as the land is owned by Central or State Government. The information regarding house-rent was collected and compiled as follows :

<i>Group of House Rent</i>	<i>Number of Hutments</i>	<i>Percentage</i>
1. No. house rent	7712	44.26
2. 1 to 5	4243	24.35
3. 6 to 10	3683	21.14
4. 11 to 15	1141	6.55
5. 16 to 20	267	1.54
6. 21 to 25	68	0.39
7. more than 25	60	0.34
8. Owners	250	1.43
	<hr/> 17424 <hr/>	<hr/> 100.00 <hr/>

The above table shows that there are 7712 families that do not pay house-rent. This percentage is 44½. The percentage of the families that pay house-rent up to Rs. 10 is 45½. In view of average monthly income of Rs. 137 per family of slum-dweller it is quite reasonable to expect Rs. 14 to Rs. 21 as house-rent, if housing accommodation is provided through any agency. Of course such house-rent will be on subsidised basis.

### *Classification According to Religion*

When classified according to religion, the population of slum-dwellers was distributed as shown below :

<i>Religion</i>	<i>Percentage</i>
Hindu	70.4
Islam	13.0
Buddhist	14.1
Christian	2.5

### *Ownership of Slum Pockets*

The information regarding ownership of slum pockets was collected and analysed.

<i>Ownership</i>	<i>Number of Pockets</i>
1. Private owners	187
2. Government land	24
3. Central Railway	7
4. Poona Municipal Corporation	4
5. Public Institution like Housing Societies, Trust, etc.	7
6. Ownership unknown	22
	<hr/> 251 <hr/>

The above picture reveals that 75 per cent of the pockets are owned by private parties and some of them collect rent from the hutment dwellers, while others suffer as they cannot get back the land and use for their own purpose.

### *General Observations*

The above survey was taken in December 1968 and from previous data, growth was estimated to be three per cent per year. But at present the number of hutments is nearly doubled, i.e., about 35,000 and the population in it is about 1,70,000. This tremendous growth is due to migration of villagers of Maharashtra affected by acute famine two years back.

The population of Poona City is 8,56,105 according to 1971 census, i.e., 5 times the population of slum dwellers approximately. The existing civic amenities like water supply, drainage lines are inadequate for the total population already and these will be more and more insufficient due to the growth in the number of slum-dwellers. At present the civic body of Poona has undertaken various schemes of environmental improvement of slums with the financial assistance of the Central Government. No doubt some pockets will benefit from these schemes. By giving civic amenities to the slum dwellers, the sanitation problems will be solved, but the illegal and criminal activities that go on in such localities will not be removed unless slum-clearance programmes are executed in a systematic manner.

# RECENT JUDICIAL DECISIONS\*

## REFORMS IN COURT PROCEDURE

### THE KALOL MUNICIPALITY CASE<sup>1</sup>

Mr. Justice V. R. Krishna Iyer of the Supreme Court has underlined the urgent need for introducing certain reforms in court procedure by developing better business management methods in forensic areas, more modern court methodology and streamlining of court procedures to ensure speedy dispensation of justice in the country. Justice Iyer made these suggestions in his concurrent judgment in the *Kalol Municipality Case* where the Supreme Court had dismissed the appeal filed by the former president of the Kalol Municipal Council against his removal through a no-confidence motion passed against him. The Judge observed that those reforms had become necessary in a country like ours where "litigation is notoriously dilatory and docket backlog cases in courts explosive", lest people should get disenchanted with the noble trust in judicature whose credibility was the cornerstone of rule of law and of organised government.

Dealing with the facts of the case, Justice Iyer referred to the irony that the Constitution under one of its Directive Principles expected elected local bodies to be self-governing units, yet what the Kalol Municipal Council had constantly witnessed ever since its fiercely contested presidential election of 1971, were scenes sometimes of "power grab" and sometimes of a "political circus". "These grass root institutions pervert themselves, small wonder that power at higher levels betray popular trust." He drew pointed attention towards "the social lesions on the political tissues of our body politic" and made a scathing attack on the widespread prevalence of certain political evils leading to "pollution in public life."

Dealing with "unhealthy and unblamable" trend of parties to run directly to higher courts for speedy redress where normal remedy lay in a suit in lower civil court, Justice Iyer said, "indeed it is trite law that disputed questions of fact are not usually decided by higher courts under Article 226 of the Constitution but it is a common phenomenon that litigation, spiralling up to the highest court from below, gets stalled so much that victor and vanquished are stultified at the end."

He agreed with the view expressed by the Gujarat High Court that "courts of law while upholding rule of law, cannot defeat it by procrastination of litigation" and observed that "had an aggrieved party been driven to the hierarchy of courts, he would have lost, not on merits but by sands of time running out before the ultimate end was in sight."

"Time and tide do not wait for tardy course of Indian Justice", He said.

Justice Iyer also suggested reforms in Indian law of evidence and procedures as

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\*Compiled by Shri M. K. Balachandran, Lecturer, IIPA, New Delhi.

<sup>1</sup> Decided by the Supreme Court on September 17, 1974. Reported in *Hindustan Times*, dated September 18, 1974.

was being attempted in a number of other countries with a view to making it more effective and foolproof.

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## FIXATION OF ANNUAL VALUE

### 1. DEWAN DAULAT RAI KAPUR v. NEW DELHI MUNICIPAL COMMITTEE<sup>2</sup> (Delhi High Court).

In determining the Annual value of premises whose standard rent has not been fixed under the Rent Restriction Act for the purpose of assessment of property tax, is it incumbent upon the Delhi Municipal Corporation to determine its standard rent in accordance with the provisions of the Delhi Rent Control Act, 1958 and arrive at the annual value on that basis?

This question was answered in the negative by a full bench of the Delhi High Court in *Dewan Daulat Rai Kapur v. New Delhi Municipal Committee*. The court held that in the case of rented premises the annual value should not exceed the standard rent if fixed by the Controller or statutorily determined under the Delhi Rent Act and in other cases where the standard rent had not been fixed or determined as aforesaid, the annual value should not exceed the agreed rent unless the agreed rent was tainted by fraud, collusion, emergency, relationship and such other considerations.

In this case, the Municipal Corporation of Delhi and the New Delhi Municipal Committee had assessed the annual value of certain properties on the basis of the actual rent which was being received from the tenants. This was challenged on the ground that the annual value could not exceed the amount of standard rent and as such the assessment could not have been based on the actual rent, but on the standard rent determined under the provisions of the Delhi Rent Control Act, 1958 which was in force in that area. The question to be decided, therefore, was whether in the case of premises whose standard rent has not been fixed, it is open to the corporation or the committee under whose jurisdiction the properties were situated, to fix the annual value in accordance with the contractual rent (actual rent) in the case of premises which have been let or on the basis of a hypothetical rent which may be paid by a hypothetical tenant in the case of owner-occupied properties.

While deciding the issue, the court dealt with at length some of the important judicial pronouncements on the subject. Distinguishing the Supreme Court ruling in *Padma Debi's Case*,<sup>3</sup> which is the leading case on the subject, the court observed that from the definition of standard rent in the relevant Rent Act [West Bengal Premises Rent Control (Temporary Provision) Act, 1950] it was clear that the standard rent meant not only the standard rent that had been actually fixed by the Rent Controller, but also the standard rent which would have been fixed if application were made for the purpose.

<sup>2</sup> 1973 M.C.C. 101 (Decided on November 16, 1972).

<sup>3</sup> *The Corporation of Calcutta v. Smt. Padma Debi & others*; AIR 1962 SC 151.

Referring to the Guntur Municipality Case,<sup>4</sup> the court observed that in that case, the general revision of the rental value of properties effected by the Municipality in 1960 was made not on the basis of agreed rent but by increasing the rental value of houses to more than the rental value which prevailed on the dates provided in the Rent Control Acts in force prior to 1960. And as such the argument that the relevant rent Act (the Andhra Pradesh Buildings Lease, Rent and Eviction Control Act, 1960) permitted the landlord to charge the agreed rent without incurring any penalties in cases where fair rent had not been fixed by the Controller and therefore, fixing the annual value on the basis of the agreed rent in such cases would be in accordance with the provisions of the Act, was not advocated.

The court held :

"It seems to us that if the basis of valuation by the Municipal Authority is the agreed rent of any premises whose fair rent has not been fixed and if such agreed rent is legally recoverable under the provisions of the Rent Act, the principles of *Padma Devi's* case will not be attracted. In other words, if the Rent Act permits or does not prohibit the recovery of agreed rent in the absence of fixation of fair rent, it cannot be said that agreed rent in such cases is not rent for which the premises cannot reasonably be expected to let and that such agreed rent cannot be the basis of assessing the annual value of any premises."

Applying these principles to the present case the court observed that because of Sections 4 and 5 of the Delhi Rent Act which prohibit the recovery or payment of rent in excess of the standard rent and Section 48 which imposes penalties, *inter alia*, for the contravention of Section 5, the dictum of the Supreme Court in *Padma Devi's* Case fully applied and that rent in excess of the standard rent whether fixed by the Controller or statutorily determined could not be treated as reasonable rent for which the premises could be expected to be let from year to year. At the same time under the Delhi Rent Control Act, agreed rent was legally recoverable where standard rent had not been fixed by the Controller or statutorily determined by the provisions of the Act. In fact Section 12 of the Delhi Rent Act provided a period of limitation for making an application to the Controller for fixing, *inter alia*, the standard rent of the premises and if the period of limitation expired in a given case and the standard rent could not be fixed, then the agreed rent could be legally recoverable. To substantiate the point that agreed rent was legally recoverable if standard rent had not been fixed, the court cited with approval the following observations of the Supreme Court in *M. M. Chawla v. J. S. Sethi*.<sup>5</sup>

"The prohibition in Sections 4 and 5 operates only after the standard rent of the premises is determined and not till then. So long as the standard rent is not determined by the controller, the tenants must pay the contractual rent; after the standard rent is determined the landlord becomes disentitled to recover an amount in excess of the standard rent from the date on which the determination operates . . . . Until the standard rent is fixed by the controller, the contract between the landlord and the tenant determines the liability of the tenant to pay rent."

On the above principles the court held :

"The limit placed by the Supreme Court in *Padma Devi's* Case on rent for

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<sup>4</sup> *Guntur Municipal Council v. The Guntur Town Rate Payers' Association*, AIR 1971 SC 353.

<sup>5</sup> 1970 (2) SCR 390.



which premises can reasonably be expected to let will apply in Delhi only if standard rent has been either fixed by the Controller or is statutorily determined under the Delhi Rent Control Act . . . . If such standard rent has not been fixed by the Controller or statutorily determined under the Rent Act, the agreed rent will be legally recoverable . . . and would not, therefore, be rent for which the premises cannot be reasonably expected to let."

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**2. MUNICIPAL COMMITTEE, NEW DELHI V. RAM PRAKASH KAPOOR<sup>6</sup> (DELHI HIGH COURT)**

Under the Punjab Municipal Act, 1911, can the Municipal Committee assess the rateable value of a premises which has never been let out any time, on the basis of reasonable letting value ?

This question was decided in the negative by the Delhi High Court in *Municipal Committee, New Delhi v. Ram Prakash Kapoor*. In this case the rateable value of the premises owned by the plaintiff-respondent was enhanced by the New Delhi Municipal Committee (Appellant) on the basis that the property could reasonably be let out at that rent. The plaintiff pleaded that the Municipal Committee could not fix the rateable value of the property on the basis of reasonable letting value and that the Committee should have determined the annual value in accordance with the provisions contained in the Rent Control Act for fixation of standard rent. The trial Judge dismissed the suit on the ground that since there was no data before the Committee for fixing the standard rent under Section 6 of the Delhi Rent Control Act, the Committee could fix the rateable value on the basis of the reasonable letting value under Section 9(4) of the Act. On appeal, the Additional District Judge held that the property had to be assessed in accordance with the provisions of Section 6 of the Act and that the assessment on the basis of reasonable letting value was not legal.

The High Court on appeal upheld this view and observed that there was no finding that the annual value could not be determined in accordance with the provisions of Section 6 and as such the basis adopted by the Committee for fixing the annual value was clearly illegal and in excess of jurisdiction. The court cited with approval the ruling given in *Diwan Daulat Rai Kapoor v. New Delhi Municipal Committee*<sup>7</sup> that "in the case of premises which have never been let at any time or premises whose annual value is being fixed for the first time, the annual value shall not exceed the amount arrived at in accordance with the provisions of Section 6(1)(A) (2)(b) or Section 6(1)(B)(2)(b) of the Delhi Rent Control Act, as the case may be and in case it is not so ascertainable then on the principles contained in Sub-Section 4 of Section 9 of the Delhi Rent Control Act."

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**3. FILMISTAN PRIVATE LTD. V. MUNICIPAL COMMISSIONER FOR GREATER BOMBAY<sup>8</sup> (BOMBAY HIGH COURT)**

Under the Bombay Municipal Corporation Act, 1888, can the corporation fix the rateable value of a premises let after the first day of September 1940

<sup>6</sup> 1974 M.C.C. 404 (Decided on March 25, 1974).

<sup>7</sup> 1973 M.C.C. 101 (supra).

<sup>8</sup> 1974 M.C.C. 6 (Decided on June 16, 1971).

on the basis of the agreed rent at which they were first let or is the Corporation bound to fix the rateable value of such a premises with reference to the notional or hypothetical standard rent as would be fixed in an inquiry under Section 11 of the Bombay Rent Act ?

This question came up before the High Court of Bombay in *Filmistan Private Ltd. v. Municipal Commissioner for Greater Bombay*. In this case, the respondent Commissioner had served a special notice on the appellants increasing the rateable value for the year 1960-61 of the property owned by them. This was challenged by the appellants and the matter came up before the High Court.

The appellants contended that in view of the Supreme Court decisions in *Padma Debi's Case*,<sup>9</sup> *Life Insurance Corporation's Case*<sup>10</sup> and *Guntur Municipality Case*,<sup>11</sup> the rateable value to be fixed must be based on the standard rent of the premises and could not be in excess of such standard rent. It was further submitted that in the light of the observations of the Supreme Court in the above decisions the rateable value of the premises in the present case had to be fixed on the basis of the notional rent as would be fixed on an application under Section 11 of the Bombay Rent Act. The respondent argued that there was an important distinction between the provisions of the Rent Control Act of West Bengal and Bombay. Under the former Act, the standard rent meant the rent fixed under Section 9 if so fixed or at which it would have been fixed if application were made under the said section. Under the latter Act in view of the express provision of Section 5(10)(b)(iii), the agreed rent of the premises would be the standard rent till such time as an application was made under Section 11 and until such application was made the respondents were entitled to fix the rateable value on the basis of the agreed rent.

Rejecting the contentions of the appellant, the Court cited with approval the following observations made by Chagla C.J., in *Karamscy Kanji v. Velji Virji*:<sup>12</sup>

"So long as there is no determination by the Court under Section 11 (1)(a), the landlord is perfectly justified in recovering from the tenant or claiming from the tenant the contractual rent, the rent at which the premises were first let after September 1, 1940. Neither his recovery nor his claim is in any sense of the term unlawful. It is only when the standard rent has been altered that the recovery or the claim becomes unlawful..."

The Court agreed with the contention of the Corporation that there was material difference between the West Bengal and the Bombay Rent Acts and held :

"In our opinion under the Bombay Rent Act, in case of premises first let after the first day of September, 1940 the agreed rent at which they were first let is by the statutory definition to be the standard rent. Such standard rent is, however, subject to the provisions of Section 11. So long as there is no determination by the Court under Section 11, the landlord

<sup>9</sup> AIR 1961 SC 151.

<sup>10</sup> AIR 1970 SC 1471.

<sup>11</sup> AIR 1971 SC 353.

<sup>12</sup> (1954) 56 Bom. LR 619.

is perfectly justified in recovering from the tenant of claiming from the tenant the contractual rent; neither his recovery nor his claim is in any sense of the term unlawful. Thus in such cases what the landlord can charge under Section 5 (10) (b) (iii) is the standard rent until there is subsequent determination by the court that it is excessive; on such determination the standard rent would be recalculated and refixed at a lower amount. Until such refixing is done, the agreed rent will be the standard rent. The two sections must be read together and when this is done it is clear that in case of premises let out after the first day of September, 1940 the rent at which they were let out is the standard rent which may be varied subsequently in case an application is made to the special court under Section 11 in such proceedings as are indicated therein. Until such an application is made the agreed rent is the standard rent within the meaning and definition of standard rent in the Bombay Rent Act."

The court observed that the rateable value to be fixed by the Municipal Corporation under Section 154 of the Bombay Municipal Act could not exceed the standard rent of the premises in respect of which the rateable value was fixed. In the present case however, the standard rent was the rent at which the premises were let out in 1960-61 by the appellants and as such the rateable value fixed was not based on any rent which was in excess of the standard rent. "If and when an application is made under the provision of Section 11 of the Bombay Rent Act in respect of these premises, then it is possible that such rent may cease to be standard rent. Thereafter the standard rent of each premises would be the rent which the court may fix on such application."

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## AMENDMENT OF ASSESSMENT LIST

### MUNICIPAL CORPORATION OF DELHI v. DR. KUNDAN LAL (DELHI HIGH COURT)<sup>18</sup>

Under the Punjab Municipal Act, 1911 is the Municipal Committee entitled to levy house tax from a property, the construction of which is completed in the middle of a financial year, for a fraction of the year, year during which the construction is completed? In other words, can a property, the construction of which was completed in October 1956, be validly assessed to house tax from October, 5, 1956 to March 31, 1957?

This question came up before the Delhi High Court in *Municipal Corporation of Delhi v. Dr. Kundan Lal*. The respondent in this case had constructed a property which was completed in October 1956. The New Delhi Municipal Committee (in whose area the property fell at the relevant time) served a notice under Section 67 of the Punjab Municipal Act and after hearing objections, finalised the assessment on February 25, 1957 and issued a demand notice for house tax from October 5, 1956 to March 31, 1957. The respondent filed a civic suit contending that the assessment of house tax on his property could be made only with effect from April 1, 1957 and not for a fraction of the year during which the construction was completed. The trial court dismissed the suit, but on appeal the Additional Senior Sub-Judge reversed the judgment and decree of the trial court and decreed

<sup>18</sup> 1973 M.C.C. 95. (Decided on May 9, 1972).

the suit. The Delhi Municipal Corporation (which succeeded the New Delhi Municipal Committee) appealed to the High Court.

Relying on the full bench decision of the court in *New Delhi Municipal Committee v. Punjab National Bank Ltd.*<sup>14</sup>, the Corporation argued that the controversy had been already settled by that decision and the tax as demanded was validly demanded and legally imposed. Rejecting this contention, the court pointed out that "what was decided by the full bench was that if a property comes into existence at a particular point of time prior to the assessment list being finalised under Section 66 of the Act after following the procedure laid down in Section 63 to 65, then the property can be included in the list so finalised under Section 67 of the Act. But if the property comes into existence during the year for which the list has been finalised, the provisions of Section 67 of the Act would not be attracted and such property cannot be included in the list for the current year". The majority in the *Punjab National Bank* case had held that the contention of the Bank was untenable and that the building which was completed and occupied on 1st July 1958 should have been included in the assessment list for the year 1959-60 and was rightly included in the list under Section 67 of the Act. The demand for tax for the period from 1-6-1959 to 31-3-60, was, therefore, held to be a valid demand.

Applying these principles to the facts of the present case, the court observed that there was no justification to levy tax for the part of the period the building was in existence because, as was apparent by the scheme of the Act, the tax imposed was an yearly tax and not tax for any broken period of the year. The court pointed out that the Punjab Act was not like the statute in force in Madras under which quarterly levy could be made, nor was the tax levied for the first time so as to attract levy for a period of the year as contemplated by Sub-section 11 of Section 62 of the Act.

The Court held:

"To our mind the scheme of the Act is absolutely clear: the properties constructed during the course of the year would attract levy from the first day of January or the first day of April next ensuing, as the Committee may determine, while properties which were in existence in the previous year but were not included in the settled list may be included in the list under the provisions of Section 67 of the Act, if the requirements of that section are satisfied."

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## NOTICE OF VACANCY

### **MOTOR AND GENERAL FINANCES LTD. V. NEW DELHI MUNICIPAL COMMITTEE<sup>15</sup>** **(DELHI HIGH COURT)**

Under the Punjab Municipal Act, 1911, is the owner of a property bound to give notice of its being vacant or unproductive when the property is let out for the first time as in the case of a property already let out and then falling vacant, for the purpose of claiming rebate of house-tax?

<sup>14</sup> L.P.A. No. 93 of 1967 (Decided on October 18, 1969).

<sup>15</sup> 1974 M.C.C. 30 (Decided on October 23, 1973).

This question came up before the Delhi High Court in *Motor and General Finances Ltd. v. New Delhi Municipal Committee*. Here, the petitioner obtained the completion certificate of the building in dispute in February 1962 and for the first time let it out on June 21, 1962. On October 1, 1962 the Municipal Committee issued a notice to the petitioner proposing to amend the assessment list under Section 67 of the Punjab Municipal Act for the year 1962-63 by including the aforesaid property in the list for assessment of house tax which was notified to take effect from 1-4-1962. The petitioner filed a reply in writing stating that the property had been let out for the first time on 21-6-1962 and as such it could not be assessed to house tax for the period prior to that. The objection was rejected by the Committee. On appeal the Additional District Magistrate repelled the contentions of the petitioner that the Committee could not impose house tax for the period from 1-4-1962 to 21-6-1962 on the ground that he had not given any notice under Section 72 of the Act informing the Committee of the property having remained unproductive during the period.

The High Court set aside the order of the Additional District Magistrate and held that Section 72 would apply only to cases where the property had already been assessed to house tax and thereafter it remained unproductive for some time and the house-owner claimed remission on its account. In the present case the court observed that the house tax had been assessed for the first time by the issue of a notice dated 1-10-1962 and prior to that date the petitioner could not know whether the house tax would at all be assessed for the said year and if so at what figure and so he could not really claim remission of the amount of tax. Further, even before the tax was sought to be assessed it had been brought to the notice of the Committee that the property had been let out for the first time in June 1962. Therefore, if satisfied on facts, the Committee could not make the assessment from 1-4-1962 and it must have directed the assessment to take effect from June 21, 1962, the court ruled.

Another point raised by the petitioner was that the house tax should have been assessed in pursuance of the notice issued on 1-10-1962 for the subsequent financial year 1963-64 and not for the period from 1-4-1962. In other words the assessment should be effective only from 1-4-1963. This contention was not accepted by the High Court in view of the full bench decision in the *Life Insurance Corporation of India v. New Delhi Municipal Committee*<sup>16</sup> where it was held that the list settled for any year under Section 66 of the Act could be amended under Section 67 only in respect of the current year which meant that if a notice was issued for the year 1962 the list could be amended for the year 1962-63 but not with retrospective effect for any earlier year.

Yet another contention raised by the petitioner was that the building was completely air-conditioned and that the rebate admissible under Section 3(1)(b) of Act was not allowed by the Committee. The Additional District Magistrate had held that the air-conditioner could not be termed as furniture for the purpose of rebate. The High Court said that this view was not legally correct and held that in assessing the annual value the rental charges for the central air-conditioning plant, electric water boilers, ceiling fans, pedestal fans, telephone and lawn-mower could not be taken into account. The compensation payable for the air-conditioner must be deducted in order to arrive at the annual letting value of the property.

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<sup>16</sup> 1973 M.C.C. 501.

## RECOVERY OF ARREARS OF SALARY

**MUNICIPAL COUNCIL, WASHIM v. PURUSHOTHAM DATTARAYA PANDE<sup>17</sup>**  
(NAGPUR BENCH OF BOMBAY HIGH COURT)

Is the claim for the recovery of arrears of salary by a municipal employee governed by Article 7 of the Limitation Act, 1963?

The plaintiff who was appointed as a teacher in a primary school run by the defendant Municipal Council filed a suit against the Council for the recovery of an amount of Rs. 584 being the amount of arrears of his increments in salary and Compensatory Cost of Living Allowance. The Council resisted the claim saying that the plaintiff was not entitled to the same and that the suit was barred by limitation and as such was not maintainable. The trial court negatived these contentions and decreed the suit. In the revision application before the High Court, the Council argued that the suit filed by the plaintiff was governed by Section 304 of the Maharashtra Municipalities Act, 1965 and as such was barred by limitation. Further the provision of Article 102 of the Old Limitation Act or Article 7 of the New Limitation Act would apply to the case and as such the claim made by the plaintiff beyond the period of limitation from the date of the suit was barred by limitation.

The court rejected the first contention of the Council by relying on its earlier ruling in *Dattaraya v. Municipal Council, Patur*,<sup>18</sup> and held :

“A suit filed by an employee for his earned wages or salary is not covered by the provision of Section 304 of the Maharashtra Municipalities Act also. Non-payment of salary or earned wages of an employee could not be termed to be an act done in pursuance or execution or intended execution of the provisions of the Act or in respect of any alleged negligence or default in the execution of the Maharashtra Municipalities Act as such.”

However, the second contention of the Council that the suit was governed by Article 7 of the New Limitation Act, was accepted by the Court. The court relied on the Supreme Court ruling in *S D.S. Shrivastava v. Union of India*<sup>19</sup> where it was held that a claim for arrears of salary fell within the purview of Article 102 of the old Limitation Act which provision was repeated in the New Limitation Act of 1963. In the result the revision application was partly allowed.

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<sup>17</sup> 1974 M.C.C. 415 (Decided on March 28, 1974).

<sup>18</sup> Second Appeal No. 313 of 1964 decided on January, 24/1974.

<sup>19</sup> AIR 1974 SC 338.

# URBAN NEWS

## ALL-INDIA COUNCIL OF MAYORS

The meeting of the Executive Committee of the All-India Council of Mayors took place in Delhi on 28th August, 1974. The Chairman, Shri Kidar Nath Sahni while commenting on the Union properties (Local Authorities) Taxation Bill 1971, said that according to provisions made under the Article 285 of the Constitution of India, the civic bodies were restrained from collecting tax on the Central Government properties situated within their limits. This cannot be done unless a law is enacted on the subject by the Parliament. This constraint affects the local bodies financially. All the Committees constituted by the government at different times found a strong case for payment of municipal tax in respect of Central and state Government properties or an equal amount in lieu of the same to be contributed towards the cost of the services provided by the civic bodies.

The meeting further had a full length discussion on the finances of the municipal bodies. The meeting resolved that the Government of India be requested to recast the bill in the following way :

- (a) All properties of the Central Government whether used for commercial or non-commercial purposes should be subject to municipal taxes;
- (b) Only such buildings of the Central Government should be exempted from property tax as could be exempted under the provision of the municipal Acts applying to all other properties; and
- (c) The method of assessment of Government properties should be the same as that of private properties;

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## UNION GOVERNMENT

One hundred ninety one schemes have been approved by the Union Government under the Central scheme of Environmental improvement of slums costing Rs. 4.06 crores.

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The Union Cabinet recently has decided to amend the Delhi Municipal Corporation Act in order to raise the ratio between the electorates and their representatives in the local body. The number of seats in the municipal Council will remain as 100 but each member will represent a much larger electorate and this ratio will be based on 1971 Census.

## STATE GOVERNMENTS

### *Gujarat*

The State Government in collaboration with the Baroda Municipal Corporation has undertaken Panam river reservoir project to double the present water supply of Baroda city. The first well with a capacity of supplying 12 m g.d. of water is likely to be completed by 1976. It has been planned to supply 50 m g.d. of water on the completion of the entire project. The Corporation's share in the project is at the tune of Rs. 1 crores.

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### *Karnataka*

The state government envisages to construct 50,000 homes for the weaker sections of the society during 1973-74 under 'People's Housing Scheme'. Work on only 14,376 houses under the scheme could be undertaken due to paucity of funds.

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### *Kerala*

In order to mobilise additional resources for the State, the Governor of the State has promulgated the Kerala Building Tax Ordinance, 1974 which provides for the levy of tax on buildings valued at over Rs. 15,000, constructed in the State on or after April 1, 1973. The levy on buildings with capital value of over Rs. 15,000 will be at the rate of one per cent on the first 10,000 of such excess, 2 per cent on the next 25,000, 5 per cent on the next 50,000, 8 per cent on the next 50,000, 10 per cent on the next Rs. 50,000, and 15 per cent on the balance. The capital value of the building will be arrived at by multiplying the annual value of the building in the assessment books of the local authority by 16 times. A building now valued at less than 15,000 rupees, will become liable to be taxed if its capital value increases subsequently through new constructions or additions of combinations or repairs or improvements, etc.

The buildings of the Central and State Governments, Local Bodies, buildings of religious, charitable or educational institutions, factories and workshops are exempt from the Ordinance.

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### *Maharashtra*

The Maharashtra Government has exempted the housing project constructed with the financial help of HUDCO from payment of stamp duty and registration fee.



## CITY GOVERNMENTS AND SPECIAL AUTHORITIES

### *Bombay*

The Municipal Corporation of greater Bombay has recently installed a garbage incinerator plant at the cost of Rs. 2.25 lakhs with a capacity to burn 10 million tonnes of garbage per day.

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### *Bhopal*

A scheme to check water pollution in the upper lake in Bhopal is being implemented shortly. The scheme involves an expenditure of Rs. 32.41 lakhs.

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### *Calcutta*

The Municipal Corporation of Calcutta is considering to erect a plant to produce alum to ensure steady supply at the Palta Water Works. The Calcutta Corporation has also started using computers for preparing property tax bills in order to clear mounting arrears.

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### *Delhi*

In a recent meeting of the Standing Committee of the Delhi Municipal Corporation, it was decided to regularise all the unauthorized constructions in Delhi which had come up before September 30, 1974.

The Municipal Corporation is planning to erect a plant shortly to prepare manure from the solid wastes.

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### *New Delhi*

The New Delhi Municipal Committee is contemplating to send a team of experts abroad to study the distribution pattern of electricity in high-rise buildings. The members of the team are expected to visit Paris, New York, London and Moscow. Due to rapid expansion of the city, the NDMC expects more sky-scrapers to come up. This step is a follow-up action of the recommendations of the New Redevelopment Advisory Committee which submitted its report to the Health Ministry two years ago.

### *Jabalpur*

Shri Padmakar *alias* Babu Rao Paranjape (Jan Sangh) has been elected as Mayor of Jabalpur defeating his Congress rival Shri Ganga Prasad Patel in the recent elections.

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### *Madras*

The Madras Corporation has planned to utilize sewage water of the city. The water will be utilized to grow fodder grass in an area of 1970 acres.



# TRAINING AND RESEARCH CENTRES

## NATIONAL CENTRE

The National Centre has since been renamed as the Centre for Urban Studies. So long, the Centre's activities were mostly confined to studies and research in Municipal administration and the training of Municipal Employees. The primary reason for renaming the Centre is to change from exclusive attention to one single institution, namely, Municipal Government, to the wider field of Urban Studies. This is expected to facilitate undertaking of research and training activities in the problems of Urbanization. Urban Administration, Urban Development, without being tied to any single institution. Importance of Municipal problems is not thereby being minimised. What is intended is to add to the existing range of activities.

In July the course on Municipal Management was organised which was attended by 16 officers from different parts of the country. In August there were 15 participants attending the Municipal Budgeting and Finance Course. There were 17 participants in the course on Techniques on Municipal Administrative Improvements which were organised in September. A Seminar is being planned on 'State Municipal Fiscal Relations on November 15-16, 1974. The intention is to discuss in details the different aspects of inter-governmental fiscal relationship.

## BOMBAY CENTRE

During July-September, 1974 the Regional Centre at Bombay concluded two courses, namely, Local Government Service diploma course and the course on Municipal Budgeting, Accounts, and Audit. Both these were attended by officers holding supervisory posts in Municipal Corporations and Councils. In July the Centre organised a Seminar on 'State Control over Local Bodies'. The trainees attending the LGS course worked in syndicates dealing with Management in Local Government, Food adulteration and Committee System in Urban Local Bodies. A number of research projects have been undertaken by the Centre dealing with :

- (1) Survey of Socio-economic Conditions of Class IV Employees of Bombay Municipal Corporation :
- (2) Survey of Municipal Water Supply Scheme in Maharashtra;
- (3) Preparation of Municipal Case Laws;
- (4) A Study of Utilization of Municipal funds; and
- (5) Audit as a Corrective Measure in Improving Municipal Administration.

## CALCUTTA CENTRE

The Calcutta Centre concluded its 4th diploma in Urban and Municipal Administration on September 28, 1974. Seminar on specific subjects and study

visits were organised for the benefit of the trainees attending the course. The 5th diploma course in Urban and Municipal Administration will start in December, 1974. A special "cell" has been created within the Centre to undertake work to implement the resolution No. 2 of the 14th meeting of the Central Council of Local-Self Information is being collected with the help of questionnaires from the Government. Urban Local Bodies within the Calcutta Metropolitan District and outside it.



## BOOK REVIEW

*PUBLIC PLANNING : THE INTER-CORPORATE DIMENSION*, FRIEND, J. K., POWER, J. M., YEWLETT, C. J. L., Tavistock Publications, London, 1974, pp. 534+xxviii.

Public planning has to be more specific than mere scientism—application of scientific method to the making of complex decisions, and has inevitably to find its dimensions, depth and directions in the context of social, organisational and problematic framework of reality. Rational decision-making *à la* praxiology, has always been the assumption social analysts have made with respect to the idealised behaviour of their subjects. The journey from rational decision-making to “planning” had its origin in the realisation of the inadequacy and uncertainty of information inputs available to rationalisers in not only a static but also in a sort of isolated framework of their specific action space. Interconnections and their complex network, over and above the usual informational handicaps springing from natural (or physical) and psychological factors, make the concept of microplanning (*ex-ante*, conscious and co-ordinated rational decision making for an individual unit, some sort of an incongruous creature. This is so despite a great deal of spurt in the undertaking of so-called ‘planning’ exercises by corporate giants, parastatal organisations and individual government departments.

It is tempting to hazard a guess that the dominance of corporations and other organisations by “management experts” (well-versed in the techniques of decision-making, organizational behaviour, etc.), most of whom had rather cursory knowledge of social sciences, was one of the factors which made for the prominence of microplanning or corporate planning. Emergence of many public corporations, whether the so-called commercial or non-commercial ones, and their baptism in the cultural and functional milieu borrowed from the private commercial corporations, saw the grafting of corporate planning exercise on the public corporations. Thus many public agencies became enthusiastic converts to the philosophy and technique of planning, albeit with serious constraints flowing from the source from which they borrowed their new ‘gadget’.

The book under review sets forth the thesis that “corporate planning is not enough especially in the public sector. The continuation of the application of corporate planning in the private sector is something which perhaps cannot easily come to this realisation because extension of the unit of management and decision-making (and hence involment of other related agencies) is something which is alien to the nature of these organisations. The horizontal relationship in terms of authority structure of all the corporations in the private sector rules out this possibility. Nevertheless, adoption of such a practice in the footsteps of the private sector by the public agencies is something embedded in the political sociology of the countries where this development took place.

However, the logic of operational experience, as the case studies in the book under review concerning “the management of local and regional change” in a small British town (Droitwich) show, brings forth the realisation that in such complex social “action spaces” where every decision-maker behaves in accordance with a

complex set of influences under a hierarchical structure of authority, multi-organisational planning will have to replace corporate planning. This makes the authors arrive at the following formulation of public planning which *ex-definition*, rules out corporate planning *per se*, in the public sector: "public planning is the domain of all processes wherein people acting on behalf of public accountable agencies take part in the exploration of patterns of related choices which are of recognised concern to more than one constituency of public or private interest", (pp. 347-349). Thus every simple decision-process becomes a part of a wider process of strategic choice to be dealt with in the context of a policy system (which comprises action space, actors, internal relations policy guidelines and external relations) which provides the social context for the decision-process. It is also recognised that, a part from a policy system thus defined, inter-corporate planning will have to reckon with operating environment, contiguous policy systems and the constituency of this policy systems.

The authors' approach and their empirical investigations clearly spell out the limitations of the corporate frame of reference. The necessity for inter-agency planning springs from these limitations. Even where joint planning did not cut much ice and opportunities for joint exploration were clearly limited, the authors found that "a significant degree of informal exploration of alternatives some times took place". (p. 350). The study details many facets of inter-agency planning and the methodology, forms, extent and limitations of this exercise. They go on to explore the institutional changes in the structure of local government in England which could provide the effective operational framework for the type of inter-corporate planning which is essential for planning local change and development. They not only make a case for the type of public planning which involves multi-level structures and organisations but also maintain that "the disposition of skills and opportunities relating to the selective activation of interagency decision-networks is of considerable importance to the future of public planning" (p. 505). Operational and theoretical problems of inter-agency planning also receive a good deal of attention from the authors. They come out with a number of general propositions concerning the strategies people adopt in responding to complexity, the influence of interactive learning processes, the inevitability of selective approaches to the formation and use of decision networks, to exercise of local judgments and the skills and organisational resources relevant for reticulist judgments.

The plea and the set of propositions which the authors put forward by way of their generalisations do not appear to show the macro, totality of social processes of which local change and development forms a part. It is suggested that regional planning would necessitate an economic planning framework (chapter 14). They also speak of the benefits which might flow from a "contactual reinforcement" of local experimentation. But in a country where state monopoly capitalism rules the roost, where economic and industrial development remains largely unplanned, how far can the attempts through inter-agency local authorities, planning for dealing with urban overspill, central redevelopment, environmental renewal, ecological balance and contributions to community life which are mirror reflections of some basic processes make headway?

Planning sharpens the thirst for better and better results and the exercise itself, in course of time, yields clues about the sources of its ineffectiveness. But carrying out the necessary improvements touches the basic equations in the socio-political matrix. Thus the move from "corporate planning" to "inter-corporate planning"

will soon discover that without over all central social planning, even this switchover is of incremental import only. However, in the process of taking this first step ahead, the authors have not only analysed the scenario of local development in a particular area with competent thoroughness but in the process have creatively applied many concepts, theories, propositions and semantic innovations in the field of organisations theory. A brief review cannot give the reader even a fleeting glimpse of such applications. Hence the reviewer feels that shortcuts like the perusal of a review would hardly be a substitute for wading through the volume.

—KAMAL NAYAN KABRA

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## SPECIAL ISSUE ON MUNICIPAL PERSONNEL ADMINISTRATION

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## EDITORIAL

This special issue is focussed on a very important subject, namely, municipal personnel administration. The municipal authorities in India have been supplying the basic civic amenities to the citizens. They are responsible for the creation of a healthy living environment. Indirectly their operations have an important bearing on economic development also. Location of industrial activities and other economic activities in the urban areas are greatly influenced by the availability of infrastructural facilities in those areas. Unless municipal administration is made stronger, our urban areas would continue to suffer from lack of adequate civic amenities and even the pace of economic development might slow down. It is for these reasons that the Third Five Year Plan had recommended that municipal administration must be adequately strengthened in order to enable the municipal authorities to undertake the essential operational responsibilities entrusted to them. In this context, the role of municipal personnel administration assumes critical importance. Ultimately, the performance of a municipality would depend on how it can create conditions for attracting capable people, retain them and energise them to undertake greater responsibilities. Our municipal authorities have been spending considerable amount of money to oil the wheels of administration. It is therefore proper that a conscious attempt should be made to see that right types of personnel are recruited and they can function in an organizational atmosphere conducive to greater productivity. Generally speaking, adequate attention to personnel administration in the municipal authorities has gone by default. With a few exceptions, most municipal authorities in India have been unable to create conditions attractive enough for capable and qualified personnel to join and stay on in the organization. In recent times many state governments have expressed concern about this aspect of municipal administration and taken steps to ensure availability of qualified municipal staff. The current trend is to create unified cadres of municipal services for different types of posts in the municipalities. Mere induction of properly qualified people is not enough. Municipal management structure has concurrently to be overhauled so that there is a focus of authority in the organization and the personnel can be controlled and supervised without undue distractions and interference from different quarters. Aside from control, the personnel have also to be motivated to better performance. This calls for leadership from the officers corps. In conducting the relationship with the elected Councillors the officers have also to exhibit considerable tact and bargaining and persuading capacity.

In this issue, a number of papers has been collected together on different aspects of municipal personnel administration. We are grateful to their authors without whose willing cooperation this endeavour would not have been successful. Admittedly, there are many more issues involved than what have been presented in this collection. Let us hope that increasingly this aspect of municipal administration will attract the attention of the state governments, the municipal authorities and the researchers interested in this area of public administration.

—EDITOR

## Management Problems in Unified Municipal Cadres

**T**ILL quite recently all Municipal Boards employed their own servants at all levels and in some states the practice is probably continuing. Mostly local residents were so appointed and had deep associations and abiding links with the permanent citizens of the town which they maintained, nurtured and cherished, so that if there was a conflict of interest between the Municipal Board and the family friends and benefactors the life-long connections often prevailed to the detriment of the former. Enforcement of inconvenient laws, rules and byelaws was rarely attempted; and yet none complained. The conscientious officer felt lost and stifled and frustrated; but was helpless in such a set-up and was sub-merged in this vast flood of like minded people. What was right and correct was almost invariably subordinated to what was expedient and acceptable to the person concerned. Recruitment was based largely on family ties and personal relations; though merit was paid lip service. There was no need for training in such a closed circuit—the man that had right connections rose from the lowest rank to the highest and picked up the right virtues as he went along. ‘Good’ conduct, a sweet tongue, accommodating spirit, an easy conscience; a long record of service rendered to the high and mighty; morning and evening calls on the bosses and noisy toughs were more important for promotion than sustained work according to rules. A show of independence was certain to invite disapproval in the shape of at least stoppage of all promotions if not actual reduction in rank or even removal. This

led to a state of chronic inefficiency, nepotism, corruption, delays and municipalities became the refuge of second rate stay-at-homes or men with personal business entanglements who only wanted to be in office for acquiring prestige and perhaps a fixed income.

This situation called for a remedy which came in the form of ‘Centralized Services’ or ‘Unified Municipal Cadres.’ Recruitment at the *top* cadres was to be made after *wide publicity* in the newspapers from amongst qualified young men *often* through the Public Service Commission or by bodies specially set up by Government. The posts were made transferable and the powers of removal no longer vested with individual municipal boards. This was a step in the right direction for it ensured that the best men were selected for the job; who had no narrow personal loyalties; had security of service and therefore freedom of action. In Uttar Pradesh such a decision was implemented on July 9, 1966. However, the setting up of a unified municipal cadre has created a new set of problems, some of the more important ones are mentioned below.

### *Centralised vs. Non-centralised Services*

In the very nature of things, it is neither feasible nor desirable to bring into a common cadre all municipal employees starting from class IV to class I Executive Officers. Low paid employees can hardly be transferred far from homes because of problems of housing, transport and management of whatever little assets and

liabilities they may have. It has been found necessary even under the Government to have at that level district-wise units of administration. In fact it has been the experience of administrators that even within the district transfers from one sub-division to another are resisted and resented as a punishment. Necessarily therefore in all municipalities there are two cadres—one superior cadre which is 'unified' and others which are still employees exclusively of individual local body.

The deliberative wing finds the latter more responsive to its wishes and receptive to its suggestions being fully under its administrative and disciplinary control. Often there is a tendency to by-pass officials of the unified cadre and utilize those of the non-unified cadres. Indiscipline grows under this climate and tensions develop between the two; and unless adequate powers are given to the Executive Officers, Engineers and other Officers of senior centralized cadres there can be no smooth functioning and the effectiveness of the entire machinery will be jeopardized. Another solution could be that even the Head Clerks and Section Incharges are brought under the fold of the unified cadre. This problem, however, has to be seen in its proper perspective and while it cannot be ignored, undue importance should not be attached to it. Every effort should be made to see that discipline is maintained and adequate powers of punishment which should sparingly be used if at all are given to senior officers.

In Uttar Pradesh, the presence of officers belonging to the State Public Health Service adds another dimension to the problem. Such a situation calls for proper understanding and coordination between the Directorate of Local Bodies on the one side and the Directorate of Medical and Health Services on the other, so that any misunderstanding or problem is not allowed to grow into an inter-departmental controversy and a sensible solution is quickly forthcoming.

### *A Satisfied Cadre*

Amalgamation of members of a large number of units into one fold presents numerous difficulties. The fixation of their *inter se* seniority and drawing up a gradation list is never easy and no formula will satisfy the hopes and ambitions of all members of the new cadre. Yet unless the members of the unified cadre feel that they have gained in some way by the unification of cadres in respect of status, independence, etc., the central purpose of adding efficiency and efficacy is defeated. In order that desirable results are achieved the following aspects among others have to be constantly borne in mind :

- (a) *Fairness and firmness* : It is clear that, however much one may try, every one of the officers coming from diverse local bodies cannot get what they consider to be their due; yet if rules are framed in clear and unambiguous language and are applied without fear or favour to all and certain amount of firmness is shown in dealing with those persons who try to get extra benefits through all kinds of pressure tactics, the effect of such a fair and firm policy is bound to be rewarding.
- (b) *Transfers and promotions* : Not being used to the idea of periodical transfers the members of the unified cadre often consider it a major disaster and put their heart and soul in an effort to stave off the evil and try always to get back to their parent local body. Now, if one set of officers gets what it wants and another which is less resourceful gets frequently transferred and is given all the 'bad' places, there will be resentment and frustration and they will not be able to contribute their best.

What has been said above about a fair and firm policy about



transfers applies even more strongly in the matter of promotions. Clear and definite rules regarding the eligibility for promotion, the method of promotion and a selective process which is considered above board by all are essential.

- (c) *Service matters:* Certain important service matters like G. P. Fund, Pension Rules, bonus, medical relief, housing facilities are matters which affect the morale of the service as a whole. These matters must be handled with promptitude and with sympathy. Unfortunately, it has been one of the most neglected aspects of the cadre management so far.

### *Support*

When each local body had its own hierarchy the officers who managed to stay at the top, wily-nilly enjoyed the support and backing of those in power. With the unification of cadres such support is often not forthcoming and in any case not to the same extent. Even when they are in the right and have been doing things in the best interest of the local body they find that they cannot bank upon unstinted support. This fear may even this feeling of lack of backing would be detrimental to having a dynamic cadre poised for getting results.

Two or three points emerge from the above proposition, viz., there should be adequate delegation of powers at various levels and while a wrong decision may invite punishment to the persons exercising it; yet their 'wrong' decisions should be upheld. Secondly, the awarding of annual remarks should be done in such a manner that the true personality of the officer is reflected in penetrating, impartial and unbiased assessment. Innocuous remarks or adverse insinuations on flimsy grounds should not be allowed. Entries should pass through an initiating,

reviewing and accepting authority.

Even more important than all this is the need for educating the deliberative wing and giving them a clear insight into their rights and responsibilities as well as of the need for adequate delegation of powers so that the executive wing can act with vigour and take initiative. It is said that a people gets the Government that they deserve. This adage should be inscribed on the public mind and the traditional softness towards favourites and "nephews" should be deliberately and purposefully and effectively even though slowly but progressively fought down.

### *Recognition*

Often members of the Municipal cadres are derided as a class and are not given adequate recognition by the society. It cannot be gainsaid that their functions impinge on more facets of a citizen's life than that of any other employee. It may be true historically that persons who wanted to stick to their homes and hearths or who were not able to compete sought to stay behind to man the municipalities. In other words, the more intelligent, enterprising and pushing had nothing to do with services under the local bodies. This stigma has stuck. With the unification of municipal cadres and their intertransferability and more than that with the method of recruitment undergoing a sea of change, this stigma should slowly disappear. Also like any other service, members of these cadres should find a place in the national awards and in other ways receive recognition. It cannot be said that man to man, the best amongst the municipal employees compare unfavourably with others. However, it will take time to build the right traditions and to obtain recognition for them. The role of their service Unions and Associations in creating the right climate and developing certain traditions by the municipal cadres deliberately and with persistence cannot be overemphasised.

## *Avenues of Promotions*

A closed cadre cannot invite the best people unless the chances of going up to the highest point attainable in other services are also thrown open to members of that service. Considering that the budgets of the Mahapalikas run into crores and that the problems and situations are more complex and intricate than in many other fields of administration, efforts will have to be made to have a hierarchy which affords adequate avenues of promotion within itself.

## *Efficiency*

Unification of cadres will not automatically lead to efficiency in the functioning of local bodies and yet unless this come about one of the primary objectives will be defeated. Some of the important aspects could perhaps be these :

- (a) With the complexity of municipal administration increasing day by day it is necessary that all those entering this service at any level are given a basic grounding through a detailed intelligently planned course. In addition to that there should be refresher courses from time to time in which recent thinking and researches are brought to the notice of these cadres and they are encouraged to intelligently apply such elements out of them to their field problems. In the country there are four Regional Training-cum-Research Centres in municipal administration in addition to the Centre for Urban Studies in the IIPA. Unfortunately, adequate use is not being made of these facilities nor are the centres being fully fed with live situations and problems of the local bodies. In order that this may be possible it would not be a bad idea for each centre to adopt a few local

bodies as their laboratories for study, research and for providing a positive solution to their difficulties and problems. It is good to know what is happening in other countries and how they are tackling their problems; but that cannot be a substitute for an on-the-spot study of experimentation and action research.

- (b) *Studies and Research* in various aspects of municipal administration is also important.
- (c) *Co-ordination and leadership* : Life grows more complex as technology, knowledge and needs develop. It becomes necessary to break up what were simple activities into smaller fields of specialization for expert handling. At the same time the best results can be achieved only when there is a coordinated attack on the whole problem. In municipalities for instance, sanitation cannot be tackled merely by the sanitary staff unless the engineering staff responsible for the maintenance of vehicles, the Water Works staff responsible for providing adequate water for the sewerage system and the executive staff which is responsible for handling men and for providing leadership and direction function in unison, properly and adequately. The functional Departments of Government behind these specialists have also to act so as to achieve a clearly defined objective and not plough their lonely furrow. Where members of the deliberative wing take charge of various activities the tendency for isolation may grow. It is necessary that coordination and leadership be achieved whether under the paid staff or under the elected members.

(d) *Procedures* : Procedures are nothing but an attempt to codify certain activities and bring about coordination between various wings and organizations as a matter of routine. Such procedures had been evolved in municipal administration long time back but with the passage of time may have become obsolete. *Ad hoc* solutions have been attempted from time to time in various local bodies but the need for a well thought-out and imaginative set of procedures to meet the needs of modern municipal administration and thus give clear direction to the permanent staff is being felt more and more.

(e) *Supervision and direction*: Another set of problems that has come to notice after the unification of municipal cadres is the comparative absence of adequate guidance and direction. There is need for regular and detailed inspections of various local bodies. Emphasis in these inspections should be laid on general problems that are evading solutions and not on fault finding. When the experience of a number of local bodies is examined many new problems will be identified and some solution may suggest themselves. Specific problems of individual local bodies have a tendency to accumulate and cannot come up to the decision-making level unless except where they are taken up at a sufficiently high level through regular inspections and follow-up. There should be a two-way traffic between the Government and the Directorate, (where it exists) on the one side and the field on the other so that the tendency to accept

any insoluble problems as a fact-of-life is curbed and more aggressive positive attitude is generated.

(f) *Accountability* : In the past local bodies have worked in isolation and local offices and local pressures have tended to draw a curtain over many misdeeds. This has created a tendency some times in unified cadres to play to the gallery indiscriminately and do what is 'wanted' irrespective of what is right. In order that a more healthy tradition may develop, not merely the paid officer but also the members of the deliberative wings should be made accountable for any acts of omission and commission that come to notice. In this context detailed audit of accounts and their prompt compliance and strict action against defaulters would be important. Since a wrong tradition has been set, it would be necessary to generate adequate fear amongst the cadres that wrong doing will no longer be tolerated. The setting up of a vigilance wing for the local bodies has therefore much to commend itself.

Here a mention may also be made that the creation of such cadres has in some cases freed the employees from inhibitions imposed on them by the need for maintaining the good name and prestige of their family in their home town. Many people who were known to be upright and honest have shown a tendency to forget about those healthy practices and to strike doubtful poses to make money, once they have been removed from their homes and are no longer inhibited by any consideration of family honour and ancestral fame.

## Training Municipal Administrators : Some Problems and Prospects\*

**A**S a starting proposition, it is useful to make a general observation that training public administrators is not only difficult in some respects but has also unique problems. The political character of the administrative processes, the settled personnel system with limited climbing opportunities, the security of tenure, the peculiarities in the civil service, trade unionism and the general administrative inertia are all too well known to need any elaboration. These, no doubt in turn, profoundly influence the whole gamut of training processes, from efforts to attract, to the methodology and content and to the achievement of the final objectives of training. To this must be added the peculiar problems of training confronted at different levels of public administration. The purpose of this essay is to highlight some problems encountered in training municipal functionaries. The approach has been to describe problems of training in the ecological and institutional perspective. For, in the final analysis, the acceptability and efficacy of training is conditioned by the socio-economic, political and cultural environment under which a given set of institutions function. Attempt has been made to describe some training experience as well.

The proposition to give formal institutionalised training to municipal functionaries is of recent origin in India. For a variety of reasons, most municipal institutions have remained islands of their

own amidst great transformations all around in post-independent India. Most municipalities, except a few major cities, groan under highly inadequate resources, archaic administrative systems and out-moded procedures. In relation to higher level governments, these are not only lowest tier bodies but also remain almost primitive structures, left unattended for decades. Even in the face of grossly manifest deprivations and innumerable deficiencies, the citizen-protest behaviour is mostly focused on national and international issues. It seems that in our linguistic framework, citizen apathy is taken as synonymous with tolerance—the agonising contentment born out of hopelessness rather than self-fulfilment.

The causative factors for this sorry state of affairs are, indeed, numerous. If we begin by examining universals and go over to particulars with a sort of collapsing vision of reality, it is possible to list out several historical, socio-cultural, economic and political conditions which have shaped our municipal institutions. Historically, our municipal bodies have been shaped and nurtured under the dominant tradition of liberal democratic principles. Yet, the colonial heritage has severely dichotomised our institutional structures, with bureaucratic incoherence, either internal or external. Its structural manifestation in the municipal sector is the so-called Commissioner plan with the two wings in perpetual antagonism.

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\*The views expressed are those of the author alone.

Economically, in a developing country like India, most towns and medium cities are essentially agro-based market centres, incapable of generating adequate incomes. With the continual influx of landless labour from adjoining tracts and the agricultural landlords too, the composition and politics in urban government councils are profoundly transforming. The emerging new political elite with definite rural background and orientation is, obviously, less conversant with the rules of middle class politics. In the place of homogeneity, unanimity and partly authoritarianism, the new political elite finds heterogeneity, dissent, divergence and individuality as the governing principles in urban politics. The variation is profound enough. The upheavals experienced in urban elected bodies and the head-on collisions between the bureaucratic and elected wings becomes understandable in the background of the aforementioned analysis.

The resources of the municipalities continue to be highly inelastic and neglected. In recent times, the local tax-base is even being eroded and the span of autonomy enjoyed by local bodies is progressively shrinking. The performance of municipalities, both political and administrative, is so poor that the feelings of frustration and hesitancy is deepening among the financing agencies and the tax-payers. The municipal personnel system and its administration is so muddled and politics-ridden that the tendency among municipal employees to indulge in some sort of functional sublimation is increasing. Closed and stunted career prospects have made many employees to indulge in private trading as a concurrent avocation. This is found to be extensive among the natively recruited personnel, some of whom are even quasi-politicians. The situation is so serious that some of the municipal commissioners were found approaching the secretaries of Bill Collectors' Associations to persuade the bill collectors for active participation in the tax collection Drives. Then mention must be made about the contra-

ditions inherent in our socio-economic structure which are reflected in the administrative behaviour. The ethos of split morality in our value-structure is radiant enough and differential values and the resultant variation in treatment in the bureaucracy provides a highly frustrating environment, especially to subordinates. It is common place experience to find that the management official functions under one set of values and imposes a different set of values on the subordinates in like work situations. For instance, a middle management official who complains of lack of cooperation, horizontally or down the hierarchy is dubbed as tactless, and inefficient. However, in like conditions, the superior expects sympathy from his boss. The conditions described so far have, doubtless, devastating impact on attempts at administrative improvement, innovation and training.

Here, it is useful to examine in brief the impact of the conditions in the urban government and its environment on training. Firstly, it should be stated that training in India, especially at municipal level, is still a formal proposition. There are not many among the power elite who are really convinced about training as a tool of executive development. In view of frequent transfers in the Secretariats and Directorates, those who are committed are unable to do enough to strengthen training. At the municipal level, the situation is equally dismal. Deputed employees find it difficult to get resolutions passed in the municipal Councils and relieved for participation in the training courses. Then, election work, tax collection drives and closing financial year constitutes other impediments for deputation. Secondly, the nomination of deputed employees for the training course does not find favour among municipalities. These have to be paid by the municipalities and their transferability stands as a hurdle. It is argued that a given municipality which pays the training bill may not get the benefit from the trained officer. Thirdly, the officers themselves may not have interest in training since no incentives

are available after training. Here, the contradiction is obvious in the sense that while training institutes are established and financed by the Governments, there is practically no thinking on providing suitable positions and incentives to the trained personnel. Fourthly, in the politics of training, sometimes deputing a candidate may be a way of punishing or providing relaxation or even creating opportunity for a favoured employee to occupy a position temporarily so that he would gain experience and become eligible for promotion. Fifthly, paucity of resources is one of the reasons which prevents deputation of employees for training courses. Finally, it should be said that the trainee himself, deeply conscious of the environment in which he functions, is often not convinced about the utility of training. He functions under a highly authoritarian system of administration. In the case of middle and lower officers, it may be stated that they have hardly any opportunity for self-expression. These are often snubbed down by superiors as pigheaded. Practicing routine over years and snubbed frequently for their alleged pigheadedness, they lose independent judgement and initiative. Training to most of them may seem a funny ritual. If training is not a mere formality, these are some stark facts which cannot be overlooked.

The ecological and institutional problems are most likely to make the training efforts a frustrating venture. These conditions impose heavier burden on the trainers for devising suitable methods of training, initiating more effective public relations and communication and designing relevant course content. Equally important is the trainer's responsibility to establish close rapport with the policy-makers (both political and administrative), for initiating necessary changes in a variety of directions. While it may be difficult to bring all the desired transformations necessary for imparting effective training, it is possible for training centres to influence critical areas, even though involving a lot more effort and

time. The experiences of conducting training programmes under the auspices of a University are, indeed, highly reassuring. The Regional Centre for Training and Research in Municipal Administration (RCMA) functioning in Osmania University started with certain unique advantages and it was able to overcome atleast some of the problems listed elsewhere. Here, it is in order to briefly describe the approach, methodology and the pattern of training evolved in the Regional centre.

The Regional centre has been established by the Government of India in 1970, to impart training to municipal functionaries from Southern India and to conduct research on outstanding Urban problems. The assumptions of training in the RCMA may be described as :

- (i) reinforcement of knowledge already acquired and add suitable new information as would close the gap;
- (ii) Orientation to changes which have occurred ;
- (iii) initiation to learning new techniques so as to enhance performance capabilities;
- (iv) Prepare the trainee to accept changes that are most likely to take place; and
- (v) Minimise irrationality and deviant behaviour by a process of continual clarification.

So that, training may be taken to consist of three broad components, viz., knowledge, skill development, and provision of forum for exchange of experience. The apportionment of the three components in a given specific training course would, naturally, depend upon the composition of the course participants. Inevitably, training senior management personnel necessitates more doses of knowledge, especially in developing closer understanding of the relationship between

theory and practice, the technique and its source and in developing situational and value perspectives. For, knowledge is 'a set of verified statements about reality'. If the course relates to middle-rung managements, possibly, it would be useful to provide greater opportunities for exchange of experience and to learn techniques successful elsewhere. Experience has shown that the middle manager, as law-implementing agent, is relatively more conservative and tend to adhere to safety-first-approach. It may be desirable to expose him to frequent discussions structured round specific administrative problems and cases. In the same way, the subordinate personnel may be given skill-oriented and methods-improvement training. The RCMA courses for training municipal functionaries are broadly structured round these assumptions.

One other basic policy of the RCMA has been to impart research-based training. Each training programme is based on empirical researches conducted by the research personnel of the RCMA. For instance, a course for municipal revenue officers is designed only after a series of research studies on such aspects as tax administration, revenue procedures, the role of the elected functionaries in revenue management, etc. At the same time, attempts are made to identify outstanding revenue management problems, collect information on unique practices and procedures and the variety of ways in which identical problems are solved in different municipalities. The findings of the research studies are fed into the course structure. In fact, the research findings are split up into two segments, one relating to the specific management practices, procedures and cases and the other dealing with outstanding policy issues, directions of change and development. It is the first segment that is fed into the course structure by way of lectures and syndicate discussions. The second part of the research findings together with other related studies are reserved for consideration in the culminating seminar.

There are three assumptions underlying this policy research-based training. Firstly, it is well known that there is considerable dearth of empirical data on problems of municipal administration in India. Training in such a situation is likely to be a formal exercise in theory and a priorism. Further, in the highly dynamic and transforming conditions, systematic empirical enquiry becomes an inescapable necessity. The RCMA has programmes even to repeat the study on the same problem, after a lapse of time. This would have given the researcher and the trainer adequate opportunities for identifying critical changes and the direction of development. Secondly, research-based training makes training practical and result-oriented and experience has shown that it is a highly productive approach, even if difficult. Finally, research-based training provides experience pooled from a variety of sources with varied socio-economic and administrative conditions. It also gives opportunity for clarifying many misconceptions, stereotypes and erroneous assumptions among the trainees and the trainers as well.

The RCMA conducts six weeks orientation courses for municipal functionaries, both officials and elected representatives. The course sequence in the RCMA training programmes begins by a series of background lectures which are divided into three parts, viz., lectures on ecology of Indian Administration; lectures on management and lectures relating to the particular speciality of the trainees. The time apportionment is roughly 25, 25 and 50 per cent respectively. The total number of lectures range between 30 to 50. The trainee is, therefore, given good grounding in his own technical speciality and his knowledge, as far as possible, is brought up to date. Lectures on management are woven round the field problems of the particular speciality and 'principles of management' approach is de-emphasised. Finally, lectures on ecology of Indian Administration are considered to be of a more teleological

significance and it is found to be desirable in a transitional society like India.

The background lectures are followed by the initiation of a series of case studies relating to common administrative problems and those relevant to the trainee's particular speciality. The case method is introduced at this stage with the object of preparing the trainee for a more intensive grilling on specific problems. If the lectures provide perspective, the case studies stimulate micro-analytical skill among the trainees.

The third stage in the course sequence is field research for the trainees. But, before the trainees leave for field study, they are brief on two aspects, viz., relevant research methods and question-answer sessions about the field and subject areas. Briefing is done on individual and group basis. The trainees are exposed to one or two better administered city governments. They are allotted specific topics relating to their speciality. The training officers of the RCMA personally supervise the trainees and observe them as they collect information and interview officers. Field study is a more than going round other cities, and the field study reports are evaluated and marks are awarded. This approach equips the trainee with not only observation of new organisational devices, procedures, conventions and practices but also makes him to draft a report with his own comments. The experience has been so encouraging that the RCMA has introduced two field studies, viz., a local field study and a study of better administered city government. While the local field study forms subject-matter for subsequent syndicate discussions, the other study is reserved for purposes of final evaluation. The introduction of second field study has become important as it offers opportunity to the trainee to compare and contrast. Care is taken to give identical topics to each trainee for both the studies which would make him to compare things.

Syndicates give even greater opportunity for more focused examination of problems. Problems relating to the local field study are discussed in syndicates. Small groups of six or seven, providing greater informality enables the trainees to discuss various aspects of a given problem area. Each syndicate has four sessions and each of three hours duration. A report is prepared which incorporates consensus, marked divisions and notes of dissent on the problems discussed. The syndicate reports are presented in the culminating seminar for discussion. The Seminar, usually of two to four sessions of three hours' duration each provides a forum where academics, general administrators, specialists, elected functionaries, the trainers and the trainees discuss several specific problems confronting a particular speciality.

The syndicate reports, research finding of the research staff, research papers from distinguished academics and administrators of other states are presented in the Seminar. While the training course comes to an end with the Seminar, the conclusions arrived at in the Seminar are presented to an annual high level conference. The participants in the high level conference are the Secretaries, Directors, senior officers of Municipal Administration Departments in Southern States, representatives from Ministry of Works and Housing, Government of India and State Government Ministers of Municipal Administration. The Seminar is arranged with two aims, viz., to evolve desirable guidelines for policy development and to acquaint the trainee with the likely directions of policy change. The cumulative conclusions of Seminars of different training programmes during a given year are presented to the High level Conference. These are discussed and feasible recommendations for immediate implementation and long-term policy objectives are drawn up. In view of the fact that officials and elected functionaries representing states' top management are participants, the chances of implementation are bright enough. So that, the training philosophy



of RCMA incorporates dynamic elements. Research, training, policy development and accelerating desirable changes constitute the integral components of the training philosophy. These are interlinked and structured in such a way that one programme flows into the next higher yet each rendering its own immediate objectives.

Apart from the regular observations made by the trainers at different stages of training, the field reports of the trainees are examined and grades awarded. Then, the trainees are subject to *vivavoce* examination with a senior administrator of related speciality in the chair. The marks awarded for the field study and those obtained in the *vivavoce* examination are added and a grade awarded. The *vivavoce* also gives an opportunity to the trainers to make self-evaluation.

Here, a word about the experience of conducting training under the auspices of the University is relevant. The purposes of a University, according to traditional thinking are to create and communicate knowledge. This meant fundamental research with all its speculative exuberance, on the one hand and equally unproductive liberal-education degrees, on the other. A bulk of activity in the Universities, especially in India, has roughly conformed to these objectives. University academics have come to find this policy so comfortable and so consistent with their treasured leisure habits that change in any other direction was resisted and continue to be abhorred. Even massive rocks change under continual pressures from the environment and it is difficult enough for mortals to resist change indefinitely. So, slow changes are coming and Universities are responding, in a modest way, to the challenges in the environment. The Osmania University and its Department of Public Administration have been responsive enough when they accepted the idea of training civil servants. The RCMA was created by Government of India in 1970 in the Department of Public Administration,

Osmania University for training municipal functionaries in Southern Region. Experience has shown that a University is an excellent place for conducting regular training programmes. The academic umbrella has decided advantages for training, especially the civil servants. Firstly, civil service trainees, in contrast to business executives, operate under severe political and administrative constraints. They are also exposed to constant public gaze and criticism. As a result, civil servants tend to be surrounded by numerous inhibitions, stereotypes and fixed notions. The University, with academic atmosphere, free and frank appraisal of issues and critical review of policies and assumptions is an arena where maximum opportunities are available for releasing accumulated tensions, emotional reservations and inhibitions. Then, as we know continuous practice of routine has enormous potentialities for stunting the critical and creative faculties. This is most likely to occur with more severity in civil bureaucracies. Perhaps, there is no better place than a University to provide conditions for quick release of tensions and facilitate the flowering of the creative faculties of an individual. Experience has shown that the trainees find even enhanced physical well-being, placed as they are in an idealic atmosphere of youth, romance and bouncing exuberance. The grim and tension-ridden faces are quickly transformed into broad smiles and one hears frequent comments that they have become 'real students' once again. In such an atmosphere, communication is maximum between the trainer and the trainee. More information can be transmitted effectively, one more issues can be discussed with greater seriousness and some values can be internalised with enhanced commitment. The trainers being seasoned academics and in the background of the policy to conduct research-based training, some of the most delicate issues, sensitive questions and astounding facts about the pathology of administration form subject-matter for discussion and reflection. This apart,

expertise from numerous disciplines is readily available for almost negligible cost for training purposes in the University. For, teaching and research are professional preoccupations of the University academics. Indeed, the difference between university teaching and professional training is, at best, a matter of degree

and, at the worst, a mere vested interest. Finally, in relation to top managerial personnel, with greater preoccupations for value choices, the university is the most ideal place either for teaching or for learning. For, no institution gives such atmosphere of horizontal relations as the university.



## Performance Appraisal in Municipal Administration

**M**UNICIPAL Administration in India, partly by the very nature of its tasks and partly on account of weakness of the administrative system, spends a large proportion of its income on establishment. Whether it is for conservancy services or services to meet the educational, recreational or public health needs of the community or it is for its regulatory activities ranging from licensing of vehicles and sanctioning of building plans to controlling public nuisances or for its tax administration, the urban local bodies have concentration of personnel in their administration. The effectiveness of municipal function and its services to the community depends a great deal on the qualitative as well as quantitative performance of its personnel. The extent of their performance, no doubt, is conditioned by the municipal management structure and practices and a wide range of its environmental factors. Nevertheless, within the given framework, the personnel policies and practices do have considerable influence on the employees' performance. It is this aspect that has remained largely neglected in municipal administration, even though the pressures for better performance are increasing day by day with the increase in the magnitude of urbanisation and complexities thereof. Inefficiency, corruption and indecision are the evils in terms of which the urban dwellers, the state governments, etc., characterise the functioning of municipal administration in India. Since these evils reflect on the performance of men who work in it, one would naturally like to know what sort of system exists to review and to improve

their performance. In case, it exists, does it achieve its purpose? If not, why? The attempt in this article is essentially to discuss these issues.

The major concern of any sound personnel management system is to optimise the effective use of organisation's manpower resources to achieve its objectives. To do so, the management requires a wide range of information about the extent of individual's contribution and the factors which influence his contribution. One of the important and reliable personnel techniques of collecting this information is the formal and periodical reports of individual's performance on the job. This exercise of formally appraising employees' performance is commonly known as performance appraisal.

### *Advantages of a Performance Appraisal System*

A well conceived and operated performance appraisal system can diagnose the health of the structure as well as the functioning of an organisation. It provides a sound information base to the management for adopting corrective, preventive and developmental measures with a view to increase individual's and organisation's performance. The specific contributions of sound performance appraisal could be as follows :

- (a) It can identify and monitor employees' abilities, their strength and weaknesses. This information is useful for taking a wide range of decisions aiming at improving their performance. For

instance, placement policy can be made more rational and purposeful if the above information is used to provide clues to questions such as what nature of experience is required by an individual to use or to increase his capabilities or which job is likely to maximise the contribution of an individual. Further, it can help in identifying the training and development needs of an employee as well as for the organisation as a whole.

- (b) It can also provide insights into the validity of job specifications such as academic qualifications, nature and extent of experience and skills which the candidates for appointment should possess for better performance on the job.
- (c) It can project the potential skill levels of employees. The qualitative information (such as leadership skills, initiative, drive, honesty, integrity, etc., which normally is difficult to determine in case of candidates for direct recruitment) along with the performance of an employee on job could be of considerable assistance in determining his suitability for promotion.
- (d) It is one of the means available to achieve some degree of congruence between the individual and organisation's needs and objectives. Even though, it is not primarily conceived as a part of the mechanics of organisational control yet, if it determines prospects for advancement of an individual, it is more likely that he will be prepared to discipline himself in his present role. It, therefore, has the capacity to influence the behaviour of employee in favour of compliance

with norms, values, rules and regulations of the organisation.

### *Effectiveness of Performance Appraisals—Some Assumptions*

The extent to which the advantages of a performance appraisal system can be realized depends on a number of factors within the organisation. For instance, if job descriptions do not exist within an organisation, it becomes difficult to specify abilities, skills and personality attributes which one should possess in order to do the job effectively. If such job specifications are not laid down or are not related to the requirements of the job, the management runs the risk of appointing a wrong person for the job, the consequence of which will inevitably be reflected by his subsequent poor performance. Performance appraisal system in order to be effective, therefore assumes that the management structure is based on a clear definition of individual's role and its boundaries as determined by job descriptions and against which his performance will be evaluated. It also assumes that selection of individuals for jobs will be in accordance with the job specifications, i.e., abilities, attributes and skills required to do the job.

Most important, however, are the assumptions about the type of organisation behaviour which is conducive to the effectiveness of a performance appraisal system. A sound performance appraisal system assumes that organisational relationships are essentially based on 'excellence' or 'competence' of individuals rather than of 'acceptance'. The characteristics of relationship based on the 'excellence' or 'competence' model are: though it "has some emotional ingredients (feeling of pride, and accomplishment), it is colder, more rational, more task oriented. It evaluates others. It judges. The ideal group, according to this model is a group of skilled professionals bound together by mutual goals and mutually respected skills. We fire the weak and

replace them with the strong. If there is friendship, it emerges from mutual respect ; but friendship is of secondary importance for the organisation".<sup>1</sup> As against the 'excellence' model, the characteristics of organisational relationship based on 'acceptance' model are that it "is essentially emotional. The primary bonds are bonds of mutual affections, mutual trust, mutual loyalty—these above all".<sup>2</sup>

It is also assumed that while assessing the subordinates who are otherwise his colleagues or members of a team in a work situation, an individual will feel free to bring out their weakness without detriment to the working relationship which calls for a great deal of mutual dependence and trust. On the part of the assessees, they feel a great deal of confidence in the fairness and objectivity with which performance has been evaluated.

Another assumption is that the career advancement prospects will be determined by the performance of an individual on the present job. That is, if his performance is rated high or unsatisfactory, the organisation not only does take action on the basis of appraisal but also is seen to take action which may range from promotion of an individual to severing of his relationship with the organisation.

On the other extreme if the management structure is defective, if individual's acceptance rather than 'competence' is the sole basis of his organisational relationship, if an individual does not feel free to objectively report the performance of others, and if organisation suffers from total incapacity to take action on the performance report, it would be futile to seek effectiveness of any performance appraisal system, with whatever sophisticated technique at its disposal.

### *Approaches to Performance Appraisal*

Having mentioned some of the important expected advantages of a performance appraisal system and assumptions on which its effectiveness depends, let us see how the performance of an individual on the job is assessed. There are basically three ways largely in combination with each other to do so. They are : (a) where the output of a person is quantifiable, objective indices can be evolved in terms of specific standards such as rate of output of units, e g., disposal of papers requiring routine action, preparation and distribution of bills, collection of taxes, etc., (b) appraisal by an individual of his subordinates, and (c) self-appraisal. Because a number of jobs particularly in government and at supervisory and managerial levels do not have quantifiable output units as measure of individual performance, the attempt is to get qualitative information. Consequently, a considerable reliance is placed on the appraisal of subordinates by the immediate superior. A large scope for subjectivity of the assessor while judging the performance of the subordinate is inherent in this process. It is precisely to increase the objectivity in the reporting of performance of one individual by another, and to assist supervisors in evaluating employees, in addition to narrative reports, a wide range of techniques such as rating schedules, man-to-man comparison scales, peer group rating, graphic rating scale, pre-stated elements, etc., have emerged. The attempt in these techniques is to focus attention of the supervisor upon the significant and representative individual's traits, characteristic and factors which are relevant to his successful role achievement so that subjectivity of the assessor in the evaluation process is reduced. Even where self-appraisal system is adopted, it is primarily intended to increase the

<sup>1</sup> & <sup>2</sup>, Leavitt, Harold J., et. al., *The Organisational World*, New York, Harcourt Brace Inc. 1973, pp. 142-3.

objectivity in the appraisal system.

### *Performance Appraisal in Municipal Administration*

The practice followed in India is that formal and periodic assessment of government employees—Central or State, is done through filling a prescribed form by their immediate supervisor once in a year. Such reports, known as character rolls or Annual Confidential Reports (ACRs) are normally referred to determine merit of an employee at the time of filling a promotion vacancy. Because the provision for lateral entry to All India Services, Central and State class I and II services does not exist, a decisive reliance is placed on ACRs for determining the merit of an officer for promotion within a cadre. But for other services largely providing manpower for lower echelons (clerical or first supervisory levels) and for some categories of posts, in addition to ACRs, competitive tests and/or formal interviews are also conducted for assessing the merit of an employee.

A study of the practices of appraising the performance of officials in municipal administration reveals that: (a) wherever any attempt has been made to assess officials' performance, the same system of ACRs as prevalent in government has been extended while the prescribed forms may be of different design; (b) whereas in municipal corporations, the practice of ACRs has been in existence for quite some time, this practice is rather of recent origin in municipal administration in most of the states and has not yet

been adopted all over the country. In the municipalities of West Bengal, Maharashtra, Gujarat, Punjab, Haryana, Jammu & Kashmir, Bihar and Orissa, ACRs of municipal employees are generally not maintained. However, the ACRs are filled in case of state government official on deputation to local bodies. In Rajasthan, Uttar Pradesh, Madhya Pradesh, Karnataka, Tamil Nadu, Andhra Pradesh, etc., where state-wide municipal cadres have been introduced, the ACRs have been prescribed for officials included in these cadres. For employees below the level of officers, the practice of ACRs even in these states is rarely found in existence.<sup>3</sup>

However, where the ACRs have been introduced as instruments of assessing the performance of municipal employees, they suffer from the same defects as observed in their use for government officials. For instance, an ex-Chairman of the Union Public Service Commission in his evidence before the Second Pay Commission observed that "in about 50 per cent of the cases ... the character roll was not a good index of the worth of a Government Servant, that annual confidential reports were laconic or vague, and that there was no positive assessment of intelligence and other qualities".<sup>4</sup> While observing that in a considerable number of cases the assessment is not wholly correct or the report adequate, the Second Pay Commission pointed out that the most common criticisms of ACRs are that :

"They are generally not an objective assessment based on careful observation, but reflect

<sup>3</sup> The information regarding the use of ACRs in municipal administration was collected through a questionnaire issued to municipal officials belonging to Andhra Pradesh, West Bengal, Bihar, Gujarat, Haryana, Jammu & Kashmir, Karnataka, Madhya Pradesh, Maharashtra, Orissa, Punjab, Rajasthan and Uttar Pradesh only. It is quite possible, that a state or a municipality might have prescribed ACRs to be filled in and maintained, but if it has not been followed in practice and a respondent is not aware of it, he might have indicated the non-existence of ACRs. On the other hand, one of the respondents from Maharashtra had replied that ACR forms are in existence in his municipality, but they have never been used.

<sup>4</sup> Report of the Commission of Enquiry on Emoluments and Conditions of Service of Central Government Employees, 1957-59, Ministry of Finance, Government of India, 1959, p. 509.

the personal prejudices and predilections of the reporting officer; that even when a report is not vitiated by such feelings, it is apt to be too vague, cryptic or non-committal to do justice to the employee reported upon; and that reporting officers differ widely in their standards of judgment—some being far more exacting or generous than others—with the result that when a common grading is made, it does not correspond to the relative abilities and performance of Government servants concerned. There is further criticism that though the orders of Government are that an adverse report should be communicated to the employee concerned, this is not always done or done promptly enough to enable the employee to make a representation before occasion arises for his being considered for promotion. Representation, it is added, are also not often properly considered, and thus the chances of an employee having an unmerited adverse remarks expunged are, in practice, small".<sup>5</sup>

Nagarkatti Report<sup>6</sup> observed that "the dissatisfaction in regard to the way these reports are written is universal". The reasons for the undependability of these reports are that:

"Officers are afraid of making the correct assessment for fear of offending influential supporters of the officers under report....The confidential reports suffer from

bias occasioned by parochial, communal or other subjective feelings of officers sitting in the isolation or their rooms and it is then that these parochial and other feelings tend to come to the surface. Further, the reports are all written in a great hurry because the present practice is for writing them all in the last week or fortnight every year. Even a fair-minded officer finds little time to do justice to the officer under him; he scribbles a few lines in each officer's file and is glad at the end to have been rid of a drudgery. Many reporting officers just make formal, insipid entries in the confidential reports, because they do not want an increase in their work or face the possibility of submitting explanations of their own when the reports are challenged before the higher authorities as being unfair...."

Even though similar criticisms of ACRs are also generally expressed by municipal officials wherever ACRs have been adopted, this study was undertaken to know their views about the effectiveness of ACRs as a tool for assessing their job performance and thus determining their suitability for promotion. A questionnaire was given to 40 municipal officials of different states in India who had come to attend three training courses conducted by the Centre for Urban Studies of the Indian Institute of Public Administration, New Delhi. The composition of these officials is : Executive Officers<sup>7</sup> and their equivalent serving either municipal corporation or State Municipal Directorate but who are transferable as executive

<sup>5</sup> Report of Commission of Enquiry on Emoluments and Service of Conditions of Central Government Employees, *op cit.*, p. 509.

<sup>6</sup> Report of the Study Team (Chairman : K.N. Nagarkatti) on Promotion Policies, Conduct Rules, Discipline and Morale. Vol. I & II, Administrative Reforms Commission, Dec. 1967, pp. 261-62.

<sup>7</sup> The word 'Executive Officer' has been used to include different designations adopted in different states for the same position. e.g., in Tamil Nadu, Rajasthan, Andhra Pradesh, he is known as Municipal Commissioner. In Madhya Pradesh, the designation is Chief Municipal Officer. In Karnataka and Maharashtra, he is known as Chief Officer.

officer : 25; Head of Departments, or their subordinates, (Municipal Engineer, Assessors, Revenue officers, Tax Superintendents etc) : 15.

The questionnaire was divided into two parts. Since it was already known that wherever performance appraisal has been introduced, it is done through ACRs, the first part, therefore, sought information on the practices and the procedures followed in the use of ACRs if in existence. Information was also sought on the specific role, if any, of elected executive, district collector or any other state government official in reporting the performance of municipal officials. The second part was devoted to know their views about the manner of use of ACRs by elected executives and appointed officials, wherever ACRs have been introduced. Their views were also sought on what should be the role of elected executive, district collector or any other official of state government in reporting the performance of officials at various echelons of municipal administration and whether any weightage should be given to ACRs at the time of considering their suitability for promotion.

They were also asked to indicate the extent of interest taken in recording employees' performance and of trust and confidence in the fairness and the objec-

tivity with which such performance was recorded by officials at their level, and at levels higher and subordinate to them. Their views appear in Table I and II.

From earlier experiences with the use of questionnaire techniques, it was seen that the officials in India generally are hesitant to give categorically their views in response to direct questions such as 'Do you . . . ' or 'to what extent do you . . . ' On the other hand, they tend to give a more reliable indication of their own views, if asked about how the officials at their level feel or do. A few direct questions however were included to check the consistency in responses. It is, therefore, assumed that the level of 'interest' and 'trust and confidence' amongst the respondents is by and large the same as that which they have indicated to be amongst the officials at their level. If the officials perceive that their superiors themselves have low ('Not at all' or 'to somewhat') 'interest', 'trust and confidence' in the recording of ACRs, it would indicate the extent of support, they perceive, from higher levels in the reporting of their (respondents) subordinates.

On the other hand, if they perceive that their subordinates have low 'interest', 'trust and confidence', it would perhaps

TABLE I  
EXTENT OF INTEREST WITH WHICH ACRs ARE RECORDED

Level	Not at all	Some-what	Moderate	Conside- rable	To a great extent	No res- ponse	Total
Officials at level higher to the respondents	8	9	12	4	3	4	40
Officials at the level of respondents	10	15	5	3	3	4	40
Officials at level subordinate to respondents	12	15	4	2	2	5	40



TABLE II

EXTENT OF TRUST AND CONFIDENCE IN THE FAIRNESS AND OBJECTIVITY  
IN REPORTING PERFORMANCE IN ACRs

<i>Level</i>	<i>Not at all</i>	<i>Some- what</i>	<i>Moderate</i>	<i>Consider- able</i>	<i>To a great extent</i>	<i>No Res- ponse</i>	<i>Total</i>
Officials at levels higher to respondent	5	7	14	6	3	5	40
Officials at the level of respondent	4	15	9	3	4	5	40
Officials at level Subordinate to respondent	5	15	9	2	2	7	40

indicate some compulsions or conditions which prevent them (respondents) from correctly indicating the performance of their subordinates. Such compulsions could be internal (biases) to the reporting officers or external (pressures) operating on them.

To the question 'Do the ACRs in your opinion bring out potential, strength and weaknesses of the employees whose performance is being reported', 18 respondents said 'no', 3 did not respond. Out of 19 respondents who had replied in affirmative, 10 had indicated that the official higher to them, themselves had either 'not at all' or 'somewhat' trust and confidence in the fairness and objectivity of the ACRs. But 12 of them felt that these higher officials took 'no interest at all' or 'somewhat' interest in recording the performance of their subordinates. On the other hand, 12 of these respondents felt that the officers at their level took little interest ('not at all' or 'somewhat') in recording the performance of their subordinates and further 13 of them felt that these officials (at their level) had low (not at all or somewhat) trust and confidence in ACRs. One would assume that these 13 respondents who had indicated low trust and confidence, would not feel that ACRs did bring out the potential, strength and weaknesses

of employees. On the other hand, from amongst 18 respondents replying in negative, we find that 7 of them had in fact indicated a high level ('considerable' or 'to a great extent') of trust and confidence in the fairness and objectivity they feel their higher official have in ACRs. Five of them had indicated a high level of 'trust and confidence' amongst the officials at their level.

To another question : "Do you think any weight should be given to the ACRs (considering the manner with which these are at present being recorded) for the determination of merit of an official for promotion", 14 respondents said 'No.' Five of the them did not respond and remaining 21 were in favour of giving weightage to ACRs. When the responses of these 21 respondents were checked against the question relating to 'trust and confidence' reporting officers' 'interest' in the ACRs, it was observed that 5 of them felt 'low' and 12 respondents felt 'moderate' level of trust and confidence in ACRs amongst the officials at higher levels. Ten of them felt that officials at their own level had low 'trust and confidence'. A similar response pattern is repeated in the level of 'interest' with which performance is reported by higher officials and officials at their levels. It is possible that these 10 respondents were in favour of

the principle of given weightage to ACRs but at the same time were rejecting the manner of its present use.

It was also observed that from amongst those 14 respondents who had indicated that no weightage should be given to ACRs in assessing the merit of officials, eight of them had indicated high ('considerable', 'to a great extent') level of 'trust and confidence' amongst their higher officials and 6 of them had expressed high level of 'trust and confidence' amongst the officials at their own level.

From this small sample and the limited scope of the questionnaire, one can only draw some tentative conclusions as follows :

- (a) The municipal officials in general neither have trust and confidence in the fairness and objectivity with which the job performance of officials is assessed through ACRs, nor do they take interest in recording the performance of their subordinates and thus in bringing out their potential abilities, strengths and weaknesses.
- (b) Since they perceive that their higher officials do not take interest, nor have trust and confidence in the fairness and objectivity with which performance is reported in ACRs, they, as reporting officers, feel lack of support from higher levels in case they rate their subordinates low or high in their performance.
- (c) As they also feel that their higher officials as well as their subordinates share the same low level of 'trust and confidence' and 'interest' in the ACRs as they have it, this phenomenon seems to suggest that there are certain factors other than the

performance on the job which strongly influence the evaluation of employees' performance.

Because of this universal dissatisfaction with the ACRs as an instrument of performance appraisal of employees, there is an increasing pressure from various levels for promotions by seniority which is not amenable to manipulations. On the other hand, seniority as the basis of promotion could hardly motivate the employees toward better performance on their job and give rise to an achievement-oriented organisation culture. One would, therefore, infer that 'acceptance' model and not the 'excellence' or 'competence' model of interpersonal relationship will dominate the organisational behaviour under the above conditions. Further, because of the pervasive distrust of ACRs, the organisation actions in regard to rewards and punishment do not follow from the actual performance on the job. To that extent, the use of ACRs, would only encourage the 'acceptance' model to operate more vigorously and the organisation would suffer from incapacity to achieve even a reasonable level of congruence between individual and organisational needs.

#### *Municipal Management Structure and Performance Appraisal*

The lack of existence or ineffectiveness of any formal appraisal system in municipal administration in most of the states in India can be attributed to a number of reasons. Important amongst them, apart from organisation behaviour are also related to the size of the municipal organisation and its management structure. The structure of municipal organisation was essentially flat that is, it had a large number of employees at the base and a very few intermediate levels in the hierarchy separating them from the top. Further, eligibility requirements (qualifications, experience and skills for appointments, etc.) in such a system differed quite

widely between two successive hierarchical levels, more particularly for technical posts, reducing thereby already limited scope for upward mobility of employees. Promotion prospects were therefore severely restricted by the size and structure of organisation. On the other hand, in the municipal management structure the 'powers and functions are so distributed among a number of authorities that it becomes well-nigh impossible to fix responsibilities. The whole council has certain powers, the committees have certain others, a mayor or chairman may have a few, and the state government tries to keep as big a chunk as possible. The committee system, apart from fragmenting administration, has a tendency to encourage interference of the councillors in day-to-day administration'. These characteristics of municipal management structure provides ample scope for politicisation of personnel functions. Local influence capacity of an employee rather than his performance on the job, under these conditions, becomes the main instrument of seeking the very little opportunities for promotions or rewards obtaining within the municipal organisations. The practice of formally and systematically appraising the performance of municipal employees could not evolve and take roots in municipal administration in India.

With the formation of state municipal cadres, ACRs were introduced. But a distinctive feature of performance appraisal through ACRs in municipal administration is the role of elected executive, i.e., President/Chairman and district collector who acts more or less like a local agent of state government. As earlier pointed out, where ACRs have been prescribed, the actual practices regarding methods and procedures of their use may sometimes vary even within a state. For instance, in Madhya Pradesh till 1973, district collector used to express his views on

the performance of the Chief Municipal Officer while countersigning the report initiated by the President. After creation of Municipal Directorate at the state level even though the Collector has not been assigned any role, some of the respondents have expressed that the reports are still sent to the Collector for his counter-signature. While such variations from prescribed procedures may exist in a state, it will be observed that in Rajasthan, Madhya Pradesh, Uttar Pradesh, Tamil Nadu, and Karnataka, the ACRs of Executive Officers are initiated by the President. Whereas in Uttar Pradesh the reports are sent to the Municipal Directorate, in Madhya Pradesh these are countersigned by the Regional Director of Municipal Administration and then sent to the Directorate. In Rajasthan, Tamil Nadu and Karnataka, these reports are countersigned by the District Collector who forwards them to the State Directorate. In Andhra Pradesh elected executive has no role as the ACRs are initiated by the Regional Director and countersigned by the district collector. It was also earlier pointed out that the ACRs are not in vogue for municipal officials in Bengal, Maharashtra, Gujarat, Punjab and Haryana.

The executive officer initiates ACRs of heads of departments such as health officers, municipal engineers, revenue officers, etc., in Andhra Pradesh, Karnataka and Madhya Pradesh. In Tamil Nadu, Municipal Commissioner (Executive Officer) initiates ACRs of all heads of departments excluding Health Officer. In Uttar Pradesh and Rajasthan, it is the President who initiates ACRs of all municipal employees included in the state municipal cadres. While in Rajasthan, these reports are countersigned by the district collector, no such provision exists in Uttar Pradesh. In case of municipal ministerial staff, by and large, no ACRs are maintained in any state even if the provision might

<sup>8</sup> M. Bhattacharya, *Municipal Government*, Research Publications, Delhi, 1974, p. 71.

exist to do so. Also, it would be observed that in respect of state government officials serving in municipal administration on deputation or being part of an integrated personnel system, the executive officer, if he belongs to state municipal cadre, does not initiate ACRs.

In order to know how the municipal officials feel about the role of the elected executive in assessing their performance, the respondents were asked to indicate the extent to which the elected executive — President or Chairman bases his assessment objectively on the merit of performance on the job rather than on political considerations and the capacity of the official to get along with him in doing or getting things done which might be contrary to the interest of municipal administration. Twentyone of the 40 respondents indicate 'not at all' or 'some what'. In case of 13 respondents the question was not applicable as either the elected executive had no role or the practice of ACRs was not obtaining. The remaining 6 respondents felt that the assessment was from a 'moderate' to a great extent objectively based on the merit of performance on the job. However, only one of these 6 respondents had indicated high level of trust and confidence in the fairness and objectivity in the reporting of performance and also had favoured giving weightage to ACRs in determining merit for promotion.

To another question "Do you think the President/Chairman of the municipal body should report the performance of executive officers and the heads of departments", twenty one of them said that he should not report the performance of executive officers and 26 of them did not want him to do so in respect of heads of departments. Eight of them did not respond. From amongst those 11 respondents who had replied that he should report the performance of executive

officers, it was found that 6 had rated the objectivity in elected executive's assessment on the low side ('not at all' or 'some what') and in the case of three respondents, the elected executive had no role in reporting the performance of municipal officials. From amongst those 6 respondents who wanted the elected executive to report on the performance of heads of departments, it was found that only one of them was an executive officer, the remaining being either heads of departments or subordinate to them.

Out of 25 executive officers in the sample, twenty of them expressed that the performance of executive officers should be assessed by either the Director or the Regional Director of Municipal Administration or by the district collector, but 24 of them wanted that they should report the performance of heads of departments. From amongst the remaining 15 respondents, 6 of them, as earlier noticed, wanted the elected executive to evaluate the performance of heads of departments whereas 8 of them were in favour of executive officer doing so.

It may, however, be mentioned that in the sample there was no technical head of the department such as health officer or municipal engineer who belonged to state government service and was serving the municipal body. The only municipal engineer in the sample belonged to state municipal cadre and though he was in favour of executive officer reporting the performance of heads of department, he qualified his views by expressing 'but not the executive officers of the present calibre'.

It would thus be observed that the municipal officials in general and executive officers in particular are not by and large in favour of the elected executive evaluating the performance of municipal employees. In this respect a few respondents had given certain general remarks such as elected executive's assessment is

'politically motivated and is not based on correct observations.' 'It is based on ill motives to take revenge'. 'It is a weapon used to take vengeance and wreck the subordinate officers whom they do not like for personal reasons'. 'A corrupt official (including elected executive) always write a bad report of his subordinates and a good report on the official of his character'. 'To avoid undue political pressures' or 'to keep ACRs aloof from undue political influences' are common justifications given by most of the respondents who are in favour of the District Collector or Director or Regional Director of Municipal Administration evaluating the performance of municipal officials. Though further research in the nature of the relationship between the elected and the appointed officials in municipal administration is necessary, the limited data at best suggest only a lack of appreciation of each others' role and it will look as if there is lack of definition and of a mutual understanding of the boundaries of their respective roles.

Even though there is a general consensus amongst the respondents in favour of the executive officer evaluating the performance of heads of departments, as the technical heads of departments are not adequately represented in the sample, it is difficult to say whether these officers would endorse this procedure. Such doubts exist because there is a wide scope for friction between the technical officials and executive officials on account of the manner in which the state municipal cadres have been structured and operated as closed system. The technical officials are at tap and executive officers are on top even though they enjoy similar pay scales, etc. But when these technical officers belong to the state services, they carry with them not only sometimes higher pay scales but also a feeling of higher status *vis-a-vis* others who belong to state municipal cadres. Under these conditions, the acceptance of executive officer's role to provide

administrative leadership by such technical officials is less likely to emerge. Further, even where the state municipal cadres have been constituted, a large section of municipal employees still continue to belong to the separate personnel system, that is whose services are confined to the local body which has recruited them. The nature of relationship between this group of local employees and the elected representatives is another dimension which, it is generally believed, influences the functioning of officials belonging to the state municipal cadres and serving a municipal body only for a short tenure.

The municipal management structure and its staffing pattern appear to have created conditions in which the role of the executive officer as head of municipal Executive Administration has become rather obscure. The politico-administrative behaviour causes further distortions in the structure as well as its functioning. Under these circumstances, 'he (Executive Officer) either joins the scramble or remains inert'. He finds hard to enforce disciplinary control over his subordinates who are not appointed by him and each one of whom has some god father in the council to give him protection.<sup>9</sup> Consequently, the action capability of municipal administrative system for seeking better job performance from employees gets severely limited. Any performance appraisal system would remain, therefore, largely ineffective in achieving its objectives. For inducing action capability in municipal administration, it is essential to review the existing municipal management structure and its staffing pattern. A president, directly elected by people with appropriate powers to function as chief executive could be one of the possibilities to evolve a better municipal management structure.

It must also be recognised that the executive officer is the administrative leader in municipal organisation. The

<sup>9</sup> M. Bhattacharya, *op. cit.*, p. 71.

staffing pattern, therefore, should grant formal supremacy to his role as such and should be conducive to creating conditions for the acceptance of his role. It may be desirable to permit lateral entry into the cadre of executive officers and to give them higher pay scales, etc., *vis-a-vis* other municipal officials. The executive officer should be the reporting officer of all the heads of department irrespective of whether all or any of them belong to state government service.

Assuming that the present municipal structure will continue for sometime, it is essential that the elected executive (like a president) should report the performance of executive officer. It is he who is in the best position to observe his performance and is ultimately accountable to the electorate for the performance of the local body. At the same time, this study does suggest that day-to-day administration and performance appraisal in particular, needs to be insulated from political pressures and interferences. It might, therefore, be desirable, for the purposes of performance appraisal, to conceive the role of executive officer comprising of two basic functions, *i.e.*, response functions and managerial functions. The focus of response functions would largely be on the effectiveness of executive officer as administrative leader in rendering municipal services which play a critical role in day-to-day living of urban dwellers, and in his support in the conduct of council's business. The reactions of local citizenry to the ways municipal services are managed could be tapped by the elected executive and councillors on a continual basis if a formal feedback system demands their periodic reporting. At present, it is supposed that citizens reactions are expressed through political process, *i.e.*, elections, but this feedback mechanism has its own limitations and does not appear to provide sufficient strong pressures for better performance by municipal administration. Obviously, therefore the elected executive, who can

articulate and aggregate citizen's reactions and who is there in municipal administration on behalf of the citizens, is the person best suited to appraise the executive officer's performance against response functions. The managerial functions would essentially be concerned with his administrative leadership, effectiveness in interdepartmental coordination and cooperation, conflict resolution and with the overall performance of the administrative system in its various specific tasks. For appraising the performance of executive officer in respect of managerial function, a reporting system shall have to be designed to provide suitable data base, for instance, tax collection, creation of new assets, state of local public health, etc. Once these two functions are operationalised, it becomes possible to prescribe two sets of performance appraisal forms, instead of single ACRs form—one for the elected executive to annually appraise the executive officer's performance against response functions and the other for the Regional Director of Municipal Administration for reporting on managerial functions. The two forms could be merged together at the Directorate level and for rating merit for the purpose of promotion, the performance in respect of each function could be given appropriate weightage

### Conclusion

Even though it is widely recognised that the performance of municipal administration must improve, we continue to rely upon those traditional approaches to administration which evolved when municipal bodies faced with problems of less magnitude and complexity than what they are required to deal with today. The municipal personnel management at best still follows the establishment approach characterised by its concern with applications of rules governing administration of pay, leave and other conditions of service. There is a little realization that a positive approach to personnel functions such as selection and recruitment, training and

development, transfers, performance appraisal and promotion, etc., can improve administrative performance by making best possible use of human resources. The study of performance appraisal system in municipal administration reveals some of the dynamics of municipal organisation's structure, its staffing pattern and its functioning which seem to account for either total lack of performance appraisal or its ineffectiveness wherever it has been introduced through ACRs. The essential conditions such as existence of job specifications, appropriate management structure and 'competence' based organisation behaviour which determine the effectiveness of any performance appraisal whether through ACRs or any other better means than that, are almost absent in municipal administration. It is possible to improve the level of objectivity in performance appraisal by introducing new appraisal techniques or by improving the design and content of ACRs and the procedures followed, still their effectiveness will be conditioned by the extent of willingness to use them as intended. But if no follow-up action

based on the report is taken, individual's willingness would also decline. So long as the 'acceptance' is the sole basis of interpersonnel relations and the scope for politicisation of personnel functions is wide in municipal administration, an appraisal technique providing greater scope for subjectivity and determining career advancement prospect, could be used more vigorously to further perpetuate loyalties to individuals than promote the concern for better job performance. Widespread distrust and dissatisfaction in ACRs as instrument of appraising employees' performance and in the procedures followed in their use, create pressures in favour of seniority, an objective criterion, as the basis for promotion and with its consequent adverse effects on employees' motivation. It is, therefore, essential that municipal management structure, its staffing pattern and the procedures followed in the use of ACRs should be reviewed with a view to insulate personnel functions from political interference and to bring performance orientation to municipal administration.

## Disciplinary Proceedings Against Municipal Employees—Legal Aspects

MUNICIPAL Organization, like any other organization has a right to expect from its employees not only the competence on the job but also a behaviour which is conducive to its overall effectiveness in achieving its objectives. The right to maintain discipline is, therefore, inherent in the organization and as such it has full freedom to choose its employees and to suitably punish them whenever they act in a manner prejudicial to the interests of the organization. The punishment in disciplinary proceedings may range from a simple warning to an order of removal or dismissal of the delinquent employee from service. However, with the emergence of the principles of natural justice and their incorporation in the Constitution and other statutes, the employees are guaranteed certain safeguards against victimisation resulting in unjustified disciplinary actions. A perusal of the law reports reveals that in a large number of cases relating to disciplinary actions, the action taken against municipal employees were struck down on account of failure on the part of the administra-

tion to follow strictly the requirements of the law. The attempt in this paper is to spell out the legal requirements in matters relating to disciplinary proceedings with the aid of judicial pronouncements on the subject.

### *Municipal Employees Before the 1935 Act*

Before the Government of India Act, 1935, the servants of local authorities were treated on the same footing as government servants<sup>1</sup> working under a 'pleasure tenure'<sup>2</sup> as these authorities were considered to be part of government itself. However, regarding the remedies available to these employees against wrongful dismissals, the courts were divided in their opinion. Some of them maintained that these employees like other government servants did not have any remedy in a court of law against wrongful dismissals,<sup>3</sup> while others held that the failure to comply with the statutory restrictions<sup>4</sup> would give the servants concerned a cause of action.<sup>5</sup> According to the latter view there must be a difference between the government

<sup>1</sup> *Roshan Lall v. District Board, Aligarh*, AIR 1935 All 802.

<sup>2</sup> In British India, till the passing of the Government of India Act, 1935, the government servants held office at the pleasure of the Crown and as such their services could be terminated at any time without notice and without cause assigned. The doctrine of pleasure was retained under the 1935 Act (and also under the Constitution), but certain safeguards were provided for against wrongful dismissals.

<sup>3</sup> *Roshan Lall v. District Board, Aligarh*, AIR 1935 All 802. *Chellam Aiyar v. Corporation of Madras*, AIR 1918 Mad. 710.

<sup>4</sup> Unlike government servants, the conditions of service of the local bodies are determined by the statutes governing them and the rules and regulations framed thereunder.

<sup>5</sup> *Municipal Borough, Dhulia v. Ramchandra*; 1938 Bom. 137. *Gorak Municipality v. Rajaram Sridhar Kulkarni*, AIR 1940 Bom. 368.



servants strictly so called and other public servants, in the sense, that in the latter case, the doctrine of pleasure was subject to statutory exceptions. "It is a case of service at the will of the municipality, the only limitation being that the will of the municipality must be expressed in the manner provided by the (relevant provisions) and unless the will of the municipality is expressed in that manner, removal from service is wrongful."<sup>6</sup>

The 1935 Act, however, circumscribed the scope of the 'doctrine of pleasure' by incorporating in it what are commonly known as the 'principles of natural justice.'<sup>7</sup> Thus, for the first time, certain safeguards were provided to certain categories of civil servants against arbitrary dismissals by laying down the procedure to be followed in the case of dismissals, etc. These safeguards are retained in the Constitution also.<sup>8</sup>

The 'doctrine of pleasure' which is retained in the Constitution by Article 310 is subject to the limitations imposed by Article 311 which provide two-fold protections to certain categories of civil servants. These protections are :

- (i) against dismissal or removal by an authority subordinate to that by which they were appointed; and
- (ii) against dismissal, removal or reduction in rank without giving them a reasonable opportunity of being heard and to make representations on the penalty proposed to be imposed on them.

### *Under the Constitution*

These safeguards are available only to persons who are "members of a civil service of the union or an all-India service or a civil service of a state or

holds a civil post under the union or a state".<sup>9</sup> The question, therefore, arose whether a municipal servant who was being treated on the same footing as government servant till the safeguards were introduced by the 1935 Act could be considered to be a member of a civil service of a state or holding a civil post under the state so as to enable him to claim the constitutional protections in the case of wrongful dismissal, removal or reduction in rank. In *Mangal Sain v. State of Punjab*,<sup>10</sup> the court held that an Executive Officer under the Punjab Municipal (Executive Officer) Act, 1931 who was appointed and dismissed under orders of the state government did not "hold a civil post under the state" within the meaning of Article 311. In this case, the petitioner, the Executive Officer of the Ambala City Municipal Committee was appointed by the state government. He drew his salary from the Municipality but was dismissed by the government. The petitioner's contention that he held a civil post under the state was rejected by the court by referring to the different meanings given to the expression "state" in Part III and Part XIV of the Constitution. The court pointed out that although in Part III and IV of the Constitution, the expression 'state' included local authorities also, it did not have the same meaning in Part XIV dealing with services, which meant that the state in that Part did not include local authorities. Further, the Constitution made a distinction between persons holding posts under the state and those holding posts under the local authorities in Article 315 to 323 dealing with Public Service Commission. Regarding the petitioner's contention that since he was appointed and dismissed by the state government he should be deemed to be a civil servant, the court held that the

<sup>6</sup> 1938 Bom. 137.

<sup>7</sup> See Section 240 of the Government of India Act, 1935.

<sup>8</sup> See Article 311 of the Constitution.

<sup>9</sup> Article 311.

<sup>10</sup> AIR 1952 Punj. 58.

mere fact that the power of appointment and dismissal could be exercised by the government did not make the petitioner, a servant of the state.

That the manner of appointment did not determine the character of the post was reiterated by the court in another case<sup>11</sup> where it was held that the question whether a particular employee was a municipal servant or a government servant could be determined by looking at the nature of the functions he performed. If he performed the duties and functions which related exclusively to the affairs of the municipality as distinct from those related to the state at large, he would be deemed to be a municipal servant and not a government servant. In this case, the court held that the superintendent of water works department of the Municipal Committee, who was appointed by the state government to discharge the duties of the Water Works Department of the Committee, which was found not discharging its duties satisfactorily, did not hold a civil post under the state.

The above principle was accepted as correct in a number of subsequent cases.<sup>12</sup> Thus in *Mohamed Ahmad Kidwai v. Chairman, Improvement Trust, Lucknow*,<sup>13</sup> the court held that if the sphere of activity of the employee fell within the sphere of activity of a local authority constituted under some statute having a separate legal existence, then the position of that employee, even though the state or the union controlled some of his activities and gave him directions in the discharge of his functions fell outside the scope of Article 311 of the Constitution. Similarly, an Executive Officer of a Panchayat Board could not be said to be holding a civil post under the state merely because

he was appointed by the state government. "It is plain that although the government may have supervisory jurisdiction over all the Executive Officers, they actually work under the Panchayat Board. It is, therefore, difficult to treat an Executive Officer of a Panchayat Board either as a member of a civil service of a state or as one holding a civil post under the state."<sup>14</sup>

The above decisions indicate that after the 1935 Act, the courts have deviated from their earlier view that the servants of local authorities were akin to government servants. Now the law seems to have settled that an employee of a local authority cannot claim the constitutional protections in disciplinary proceedings as he does not hold a civil post under the state. While it is true that local authorities have separate legal existence and there are separate rules and regulations governing the conditions of service of these employees, to deny them the constitutional protections by attributing a different meaning to the word "state" in Part XIV of the Constitution, does not seem to be proper in view of the functions they perform. They are entrusted with the discharge of certain functions for the welfare of the public. Even though the governing statutes guarantee these employees more or less the same protections as are enjoyed by the government servants, the denial of the constitutional protections has placed them under certain other disadvantages also, the most important being the denial in their case, the right to reinstatement in the case of wrongful dismissals. It is gratifying that the Supreme Court has recently come to the rescue of the municipal employees<sup>15</sup> by conferring on

<sup>11</sup> *State of Punjab v. Prem Prakash*, AIR 1957 Punj. 219.

<sup>12</sup> *Kishori Lal Batra v. Punjab State*, AIR 1958 Punj. 58.

<sup>13</sup> AIR 1958 All. 353.

<sup>14</sup> *Yugendra Rao v. Government of Andhra Pradesh*, AIR 1959 AP 506.

<sup>15</sup> See *Sirsi Municipality v. C.K.F. Tellis*, AIR 1973 SC 8 55.

them the right to reinstatement in the case of wrongful dismissals which right was denied to them for a long time.

### *Statutory Safeguards*

While the judicial interpretations of the constitutional provisions have thus placed the municipal employees outside the purview of Article 311 of the Constitution, municipal enactments usually provide for more or less similar protections to these employees against arbitrary disciplinary actions. These protections are either found in the Acts or in the rules or regulations made thereunder. To take an illustration, Section 95 of the Delhi Municipal Corporation Act, 1957 which deals with the punishments for municipal officers and other municipal employees, guarantees the same protections as are found under the Constitution. Under this section every municipal employee is liable to have his increments or promotions withheld or to be censured, reduced in rank or compulsorily retired, removed or dismissed for any breach of departmental regulations or of discipline or for carelessness, unfitness, neglect of duty or other misconduct by such authority as may be prescribed by regulations.<sup>16</sup> But in the case of major punishments, viz., reduction in rank, compulsory retirement, removal or dismissal, there is a prohibition that they should not be awarded by any authority subordinate to that by which he was appointed. Further, it provides for affording the employee a reasonable opportunity of showing cause against the action proposed to be taken against him before awarding any of the punishments. The regulations<sup>17</sup> framed under the Act provide for the procedure to be followed for conducting departmental enquiries, impositions of penalties, appeals, etc.

### *Departmental Enquiries—Procedure*

Thus, the holding of departmental enquiries for the purpose of affording a delinquent employee a reasonable opportunity of being heard is made obligatory by the statute. Even where the statute does not provide for such an enquiry, the employers are required to follow a reasonable procedure as otherwise their actions are liable to be set aside by the courts for violation of the principles of natural justice.<sup>18</sup> In the case of municipal employees, since these principles find a place in the statute or the rules or regulations framed thereunder, it is all the more important that they are afforded a reasonable opportunity to defend their case and prove their innocence through a departmental enquiry. Such an enquiry is essential in order to arrive at the truth in the allegations and for determining whether the punishment 'fits the offence'.

Departmental enquiries are quasi-judicial in nature and should be conducted in such a manner as to ensure a fair deal to the delinquent employee. The general procedure to be followed in a departmental enquiry may be summed up as follows :

#### *1. Preliminary Enquiry or Fact-finding Enquiry*

A departmental enquiry starts with a written complaint from somebody, or when the misconduct comes to the notice of the punishing authority by any other means. A preliminary enquiry or what is usually known as a fact-finding enquiry precedes the departmental enquiry and its purpose is to find out whether a *prima facie* case exists for instituting a full-fledged departmental enquiry. It is optional for the authority to conduct such an enquiry as its object is to enable him to come to

<sup>16</sup> The Central Services Conduct Rules have been made applicable to the employees of the corporation, the violation of which is made punishable under the regulations framed under the Act.

<sup>17</sup> D.M.C. Services (Control and Appeal) Regulations, 1959 have been framed by the Government of India under clauses (d) and (e) of sub-section (1) of section 98 read with sub-section (1) of section 480 of the Act.

<sup>18</sup> The power to hold enquiry is not subject to rules and it is the manner which can be regulated by rules, *Laxmichand Agrawal v. State of U.P.*, AIR 1962 All. 117.

a decision whether the matter should be dropped or probed further. Unlike in a formal departmental enquiry no formal rules are observed in this case and there can be an *ex parte* examination or investigation and *ex parte* report. As a result of the preliminary enquiry, if it is found that the employee has not been guilty of any serious misconduct, but has only committed some minor irregularities, then the authority, instead of proceeding with the case may choose to close the matter by awarding him a minor punishment such as a simple warning.

## 2. Charge-sheet

If the fact-finding enquiry reveals a *prima facie* case against the employee and the misconduct warrants a greater punishment than a simple warning, a charge-sheet along with a statement of allegations setting out the details of the charges is served on the delinquent employee asking him to furnish a reply to the charges within a reasonable time-limit. The charges should be clear, specific, unambiguous and supported by definite evidence. The charge-sheet should set out all necessary particulars even if the employee is already aware of all the charges. It should contain facts and not mere references or judgments from facts. It should convey the correct nature of the alleged offence to the delinquent employee so as to enable him to meet the charges and to present his case properly. Otherwise, there is no reasonable opportunity to show cause and the entire proceedings are likely to be vitiated.

If the charge-sheet does not contain the details of the allegations on which the charges are founded, it would be necessary to give the employee a reasonable, proper and complete opportunity to defend his case.

## 3. Reply to the Charges

When a reply to the charge-sheet is received from the delinquent employee, the competent authority, after considering

the reply may decide whether or not to start a formal enquiry against him. The discretion of the authority in making this decision cannot be questioned. However, failure on the part of the employee to reply to the charge-sheet does not lead to the presumption that he is guilty. Even in such cases, if the authority wants to proceed with the case, an enquiry is inevitable, as the object of the enquiry is to satisfy the competent authority that the charges levelled against the employee can be substantiated by evidence. Of course, if the employee admits the charges or makes an unconditional and unqualified confession, then there is no need for holding a formal enquiry to prove the charges.

## 4. Full-fledged Enquiry

If the authority decides to proceed with the case, then a reasonable notice has to be given to the delinquent employee for holding a full-fledged enquiry into all the charges listed in the charge-sheet.

The object of holding a full-fledged enquiry is to give the delinquent employee a reasonable opportunity to show-cause against the action proposed to be taken against him. A reasonable opportunity would include giving the employee concerned all facilities to deny his guilt and establish his innocence through production and inspection of documents, cross-examination of witnesses produced against him and production and examination of witnesses in support of his defence, etc. This means that the enquiry should be held in the presence of the delinquent employee giving him every opportunity to correct and controvert the materials collected against him. The power to hold the enquiry may be delegated by the competent authority to any other officer who is superior to the delinquent employee but not to any one holding the same or lower rank. Such a delegation can be justified on the ground that the collection and collation of complicated facts and forming a *prima facie* decision being a time-

consuming job, the punishing authority in view of his pre-sure of work may find it inconvenient to perform it by himself. But by such delegation the punishing authority cannot abdicate his essential function of applying his mind to the materials collected and coming to his own conclusions about the case. In other words, the satisfaction of the enquiry officer cannot be substituted for the satisfaction of the punishing authority as that would amount to his acting in a mechanical way.

The enquiry officer is required to record his findings and submit his report along with enquiry proceedings to the punishing authority. On receiving the report, the punishing authority is to consider the enquiry proceedings and the findings and make a record of his findings on each charge. He should apply his mind to the materials collected by the enquiry officer and is at liberty to differ from the conclusions arrived at by the enquiry officer giving reasons for his disagreement.

#### 5. *Second Show-cause Notice*<sup>19</sup>

When the competent authority decides upon the punishment to be awarded against the delinquent employee he is to issue another show cause notice to him as to why the particular punishment should not be inflicted upon him, if the relevant rules require him to do so.<sup>20</sup> This notice is to be accompanied with a copy of the report of the enquiry officer, and a statement of his findings together with brief reasons for disagreement, if any, with the findings of the enquiry officer.

#### 6. *Final Orders*

After considering the representation, if any, made by the employee as to the

quantum of punishment, the authority is to determine the penalty and pass appropriate orders. These final orders have to be communicated to the delinquent employee.

This procedure is being followed with minor modifications in all departmental enquiries. However, such a detailed procedure need be followed only in the case of major punishments, unless the statute requires otherwise. Minor offenses are usually dealt with on the basis of preliminary enquiries only.

#### *Legal Problems*

The Administration frequently faces with a number of legal problems in matters relating to disciplinary proceedings. Some of these problems which have resulted in judicial decisions are dealt with in the following paragraphs with a view to have an idea of the existing law on the subject.

#### *Appointing Authority*

The general common law is that the power of appointment ordinarily carries with it the power of dismissal, removal or taking disciplinary proceedings.<sup>21</sup> If the dismissal order is passed by a person who is not competent to do so, the order will be invalid. When the law provides that an employee should not be dismissed by any authority who is subordinate to that by which he had been appointed, the question arises as to who is the appointing authority. Is it the authority who has got the powers to make the appointment or the authority who actually makes the appointment or the authority who ought to have made the appointment? The courts have held that the authority who actually made the appointment is the appointing authority and not the one who is empowered to

<sup>19</sup> The liability to issue a second show-cause notice will arise only if the employees are governed by Article 311 of the Constitution or by Civil Services (Classification, Control and Appeal) Rules, or by similar statutory rules. See 1958-1 LLJ 699; 1958 II LLJ 281.

<sup>20</sup> Section 95(2) of the Delhi Municipal Corporation Act, 1957 speaks of giving only one opportunity to the employee; but the regulation provides for the giving of a second show-cause notice against the action proposed to be taken against him.

<sup>21</sup> Section 16 of the General Clauses Act says that the power to appoint includes power to suspend or dismiss also.

appoint under the rules and as such the subordination should be judged in relation to the authority actually making the appointment. Thus, if a particular officer has got the power of appointment but the appointment is actually made by his superior, then the power of dismissal cannot be exercised by an officer subordinate to that superior, even if he is competent under the rules to make the appointment.<sup>22</sup> However, if the dismissal is by an authority superior to the authority who actually made the appointment, then it will be valid.<sup>23</sup> But, if the statute confers the power of dismissal on a specified authority, then even the superior will not have the power to dismiss. Thus where the Executive Officer was authorised under the statute to dismiss, the Municipal Board could not exercise that power and the dismissal order passed by the Board was held to be without jurisdiction.<sup>24</sup> Again, if the dismissal is by an authority competent to make a valid appointment, but lower than the actual appointing authority, it will not be valid.<sup>25</sup>

Where the authority does not have the power of appointment, but makes the appointment, it cannot exercise the power of dismissal. Thus, where the power of appointment under the law vested with a superior authority, but the appointment was actually made by the Municipal Corporation it was held that the Corporation did not have the power of dismissal. In this case, a doctor was appointed by the Corporation, paid by the Corporation and was dismissed by the Corporation. Under the Delhi Municipal Corporation Act, the Corporation had no power to make appointment to the post to which the doctor was appointed. The

High Court observed that even though the officer was appointed by the Corporation, the power of appointment under the law vested with the President of India and as there was a conflict between what was actually done and what ought to have been done under the law, the position under the law had to prevail in as much as the Corporation and the Central Government were creatures of the law.

If the statute provides that the appointment is to be made subject to the approval of the government, then the removal is to be in accordance with that procedure.<sup>26</sup>

Where the power of dismissal was vested in the Commissioner, but was exercised by an officer who acted in the place of the Commissioner, the court held that the dismissal would be valid only if it could be shown that the officer who passed the dismissal order was appointed to act as the Commissioner. Since no such order of appointment was produced to show that the officer was in fact appointed to act in the place of the Municipal Commissioner, the dismissal was held invalid.<sup>27</sup>

### *Delegation*

Another interesting question which came up before the Supreme Court was whether the appointing authority could delegate his power of dismissal if there was statutory authority to delegate his powers and functions to his subordinate. Answering this question in the negative, the court held that "the appointing authority has to personally apply its mind to the question of removal and

<sup>22</sup> *Parameshwar Dayal v. State*, AIR 1963 Raj, 126.

<sup>23</sup> *Karmadeo v. State of Bihar*, AIR 1956 Pat. 228.

<sup>24</sup> *Lathamsingh v. Municipal Board, Chunar* 1959-ILLJ 356 (All HC).

<sup>25</sup> *N. Somasundaram v. State of Madras*, AIR 1956 Mad. 419.

<sup>26</sup> *Municipal Committee, Gurdaspur v. State of Punjab*, 1971 SIR 639.

<sup>27</sup> *The Municipal Corporation, Indore v. Niyamatulla*; 1970 II SCJ 255.

cannot delegate such a function".<sup>28</sup> In this case, the dismissal order passed by the Assistant General Manager (Transport) against a driver in the Delhi Transport Undertaking of the Municipal Corporation of Delhi was challenged as invalid. Under the Act, the appropriate authority to appoint him (at the relevant time) was the General Manager (Transport). The Corporation argued that under the Act, the General Manager was entitled to delegate any of his powers and functions to any of his subordinates and had, in fact, delegated his power to appoint and consequently to remove from service an employee like the driver, to the Assistant General Manager, and as such there was no violation of the statutory protection. Rejecting this contention, the court held that the only consequence of such delegation was that if after the date of delegation the Assistant General Manager made any appointment, he would be entitled to remove such employee from service. But since the appointment in the present case was made prior to such delegation, no officer subordinate to the General Manager including the Assistant General Manager would be entitled to remove him from service. The court observed that the statutory authorisation to the General Manager to delegate his powers and functions to a subordinate did not authorise the delegation of his rank. "What is involved in matters of appointment and removal is the status and rank of the employee and the status and rank of the authority taking action", the court held.

### *Dismissal and Termination*

In disciplinary proceedings the word "dismissal" means termination of service as a method of punishment for miscon-

duct or other cause on the part of the employee and has, therefore, to be distinguished from a simple "termination of service". An order of termination of service in accordance with the service rules or the terms of the contract of employment will be a discharge simpliciter and will be valid without any formal enquiry. It is so because in such cases, the termination is not a punishment nor does it carry with it any evil consequences which would jeopardise his future employment opportunities. In a discharge simpliciter, the motive operating in the mind of the authority is irrelevant,<sup>29</sup> even if the motive influencing him in taking action might be the misconduct or inefficiency or other disqualifications of the employee. However, the position would be different if the employee concerned is governed by the industrial law.<sup>30</sup> In such cases the Industrial Tribunal can go behind the order of termination to find out the reasons and if it is found that the termination is in fact the result of misconduct alleged against him, the order would be treated as an order of dismissal necessitating a proper enquiry.

The order of termination would be punitive if it implies that the employee is guilty of misconduct even if the order does not use the word "dismissal". If the order casts an aspersion or attaches a stigma to the employee when it purports to discharge him then notwithstanding the form of the order, the termination of service will be held in substance to amount to a dismissal. Thus when the services were terminated on the ground that it was "undesirable to continue the employee in service" the court observed that "to say that it is undesirable to continue a servant is very much different from saying that it is unnecessary to continue him" and the former would

<sup>28</sup> *The Management of DTU v. B.B.L. Hayley*, 1973 MC.C. 16.

<sup>29</sup> *Ishtar Singh v. Dist. Board* AIR 1961 All. 292.

<sup>30</sup> Regarding the applicability of the Industrial Disputes Act, 1947 to municipal employees see author's article entitled *The Industrial Disputes Act and the Municipal Employees*, Nagariok, Vol. IV No. 3, July-September 1972, pp. 38-47.



amount casting a stigma on the employee concerned.<sup>31</sup>

In the case of a temporary employee, it is within the discretion of the authority to discharge him in accordance with the service rules or the terms of contract of employment without conducting any enquiry or to dismiss him by way of punishment after conducting a formal enquiry. Even after initiating a formal departmental enquiry, it is open to the authority to stop the proceedings and terminate the services by passing an order of discharge.<sup>32</sup> The mere fact that an antecedent enquiry is conducted does not make the order *mala fide* or punitive in nature.

These principles are applicable in the case of reversion also. Thus, where reversion was on the ground that the servant was "incompetent, inefficient, wanting in knowledge of English and Kannada" the order of reversion was held to be in effect "a reduction in rank". Similarly, the order of compulsory retirement saying that "the officer has outlived his utility" would amount to removal from service necessitating a formal enquiry.<sup>33</sup>

#### *Departmental Enquiries and Criminal Proceedings*

Another question which is usually agitated before the court is whether disciplinary action for a misconduct (which also constitutes an offence under the law of the land) is to await the result of the criminal proceedings taken against the employee for the same offence. The courts have held that the scope and purpose of the two proceedings are entirely different

and one need not wait for the other.<sup>34</sup> The Supreme Court, however, added a rider to this ruling by holding that the authority is not to wait till the final outcome of the case, unless the case is of grave nature or involves intricate questions of law and fact.<sup>35</sup> But the enquiry proceedings may not be vitiated even in those cases. Thus it was held by the Industrial Tribunal, Delhi that even though the charge of stealing from the guarded workshop might be very serious and departmental proceedings, ought to be stayed in view of the above decision, and yet if the proceedings were not stayed it would not involve violation of the principles of natural justice or *mala fides*.<sup>36</sup>

A related question is that whether the judgement of the criminal courts are binding on disciplinary authorities or not. The courts have held that if the acquittal by the criminal court was solely on the basis of benefit of doubt or on some other technical grounds such as lack of evidence, etc., the departmental enquiry in respect of the same offence is not liable to be set aside on that ground.<sup>37</sup> However, if the employee is acquitted on being found that the charge made against him was false and he was innocent, the position would be different. If the enquiry has been concluded before the decision of the criminal court, the decision of the departmental enquiry is not liable to be vitiated by a subsequent acquittal of the employee by a criminal court. Similarly, if after conviction by a criminal court there is an independent finding against the employee in an independent enquiry, then the subsequent acquittal in appeal will

<sup>31</sup> *Jagdish Mitter v. Union of India*, AIR, 1961 S.C. 449.

<sup>32</sup> *Gidroniya v. State of M.P.* 1968 1 LLJ 664.

<sup>33</sup> Under the Delhi Municipal Corporation Act, compulsory retirement is a punishment for which the statute requires the conducting of a formal enquiry.

<sup>34</sup> *Abdul Rahim v. Chief Executive Officer*, AIR 1964 AP. 407.

<sup>35</sup> *Delhi Cloth & General Mills Ltd. v. Kaushal Bhan*, AIR 1960 S.C. 806.

<sup>36</sup> *Management of DTU v. Workmen* (Delhi Gaz. Part VI dt. 28-2-1968, p. 69.)

<sup>37</sup> 1970 11 LLJ 204.



not vitiate the proceedings. But if the judgement of the criminal court or appellate court is earlier, then that judgement has to be taken into consideration in a subsequent departmental enquiry. And, if after considering the judgement of the criminal court, the departmental enquiry takes a different view on merits and without violating the principles of natural justice, then the enquiry is not invalid. On the other hand, if the courts' judgement is not taken into consideration at all, it may show *mala fides* and therefore the decision may be liable to be struck down.<sup>38</sup>

### *Criminal Proceedings and Dismissal*

The Constitution provides that reasonable opportunity to show cause is not necessary in the case of dismissal, etc., on the ground of conduct which has led to the conviction of the employee on a criminal charge.<sup>39</sup> Similar provisions can be seen in municipal enactments also.<sup>40</sup> This provision does not enable the authority to take action solely on the basis of conviction but requires it to take into consideration the conduct of the employee leading to his conviction. In *Kumaraswamy Ayyar v. Commissioner, Municipality*<sup>41</sup> the court held that the possibility of disciplinary proceedings was not a disqualification attaching to the conviction and, therefore, conviction did not automatically debar a person from holding office. "It is only the moral turpitude involved in the act which is treated as a ground of removing him from service." In another case,<sup>42</sup> the question arose whether in view of section 12 of the Probation of Offenders Act, 1958, the services of an employee who was convicted by a Magistrate but released on probation of good conduct

under section 4 of the Act could be validly terminated merely on the basis of that conviction. The court held that the mere fact that he was convicted would not impose any disqualification on him, though the authorities would not be precluded from taking action against him on the basis of his conduct which led to his conviction. "The liability to be departmentally punished for conduct which has led to the conviction of an employee does not attach to the conviction but attaches to the original conduct (misconduct) which constituted the offence of which the official has been convicted."

### *Dismissal and Reinstatement*

Another important question which had been frequently agitated before the courts and on which the judiciary had been expressing conflicting opinions is regarding the nature of relief to which a dismissed municipal employee would be entitled, in case the order of dismissal was passed in breach of a statutory rule.<sup>43</sup> Would such a breach entail the same consequences as a breach of provisions of Article 311 of the Constitution? It is a well settled law that no declaration to enforce a contract of personal service will be normally granted. But this rule is subject to certain well-recognized exceptions. The courts have held that in three instances a dismissed employee might in appropriate cases obtain a declaratory judgement that the dismissal is invalid entitling the employee to continue to remain in service. These three instances are: first, cases of public servants falling under Article 311 (2) of the Constitution; secondly cases falling under the industrial law, and thirdly, cases where acts of statutory bodies are in breach of mandatory obligation

<sup>38</sup> 1970 I LLJ 481.

<sup>39</sup> Proviso to Article 311(2).

<sup>40</sup> Proviso to section 95(2) of the Delhi Municipal Corporation Act, 1957.

<sup>41</sup> 1956, (2) Mad. LJ 563.

<sup>42</sup> *G.V. Kashimath v. Commissioner, Hubli*, 1974 SLJ 161.

<sup>43</sup> i.e., *S.R. Tiwari v. Dist. Board, Agra*, AIR 1964 SC 1680; *Ratilal Chhaganlal v. Dhari District Municipality* AIR 1971 SC 749; *Sirsi Municipality v. C.K.F. Tellis*, AIR 1973SC 855.

imposed by a statute.<sup>44</sup> However, this right to reinstatement in case of wrongful dismissals has been denied to the municipal employees by the courts in a number of decisions.<sup>45</sup>

In one case<sup>46</sup> the court even made the remark that it was wrong to treat the case of a municipal servant on a footing different from that of a private employee. The court in this case observed : "It is true that the municipality is a statutory body, but, nevertheless, the contract of service between it and its employee is essentially a contract between master and servant, governed by rules which are, in their nature, variable". However, by a recent ruling,<sup>47</sup> the Supreme Court has set at rest this controversy by holding that the dismissal of a municipal servant in breach of a statutory rule would be illegal and void and the servant in such a case would be entitled to a declaration that he continued to remain in service.

### Conclusion

We have seen that even though the denial of the constitutional protections to municipal employees have placed them under certain disadvantages, they are provided with more or less similar

safeguards by the governing statutes against unjustified disciplinary actions. It may be emphasised here that disciplinary action may be resorted to only as a last resort, but once the decision to proceed with the case is taken, the administration should not only be stern and impartial but also should conform to the relevant rules and regulations. May be it is true that sometimes the action against a delinquent employee is struck down on purely technical grounds as has happened in *Hajley's Case*, in many cases the orders are quashed because of the manifest disregard by the administration for the statutory requirements and the law. The *Sikri Municipality Case* illustrates this point. It may be pointed out here, that the principles of natural justice had its sway even in the Eighteenth Century.<sup>48</sup> To treat it lightly in the middle of the Twentieth Century by public bodies like municipal organizations will not be tolerated by courts of law. It may well be remembered that when an action taken against a delinquent employee is struck down by the court, the consequences will be disastrous. Apart from the fact that the employee in such cases is liable to be reinstated with back wages, it will have a demoralising effect on other employees and the organization as a whole.

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<sup>44</sup> *S.R. Tiwari v. District Board Agra*, AIR 1964 S. C. 1680.

<sup>45</sup> *Ratilal Chhaganlal v. Dhari District Municipality*, AIR 1971 SC 749; *Idandas Phagunmal Asnani v. S.E. Sukthankar, Municipal Commissioner*, 1972 II LLJ 534.

<sup>46</sup> *M.S. Jondhale v. Sangamner Municipality* 1973 ILLJ 330.

<sup>47</sup> *Sikri Municipality v. C.K.F. Tellis* AIR 1973 SC 855.

<sup>48</sup> It was observed that even Adam had been called upon by God to meet the charge of having eaten the forbidden fruit before passing sentence upon him. See *R. v. Chancellor of Cambridge* commonly known as *Dr. Bentley's Case*, (1723) 1 Strange 557.

## Labour Laws And Municipal Personnel

THE Municipal Laws and the rules and regulations made thereunder provide in detail for recruitment and procedure of appointment, conditions of service, disciplinary control, punishment and appeals in respect of municipal employees. The question of their salaries, emoluments and allowances as well as other benefits of service are also supposed to be regulated according to specific municipal legislation. It was taken for granted that the municipal employees could not be equated with workers in industry. Two court decisions, however, brought the municipalities directly under the purview of the Industrial Dispute Act 1947.

### *Budge-Budge and Nagpur Cases*

The first was the case of dismissal by the Chairman of a Head Clerk and a Sanitary Inspector in the conservancy department of the Budge-Budge Municipality under the provisions of the Bengal Municipal Act 1932. The Industrial Tribunal awarded re-instatement of the employees. The Municipality took the matter to the High Court which ruled that the Industrial Dispute Act 1947 would apply irrespective of the provisions of the Bengal Municipal Act in the matter of its employees in branches of work that can be said to be analogous to the carrying out of an undertaking, trade or business.<sup>1</sup> The Supreme Court on appeal confirmed the decision of the High Court.<sup>2</sup>

In another case between the Corporation of the City of Nagpur and its employees, the court went still further and held about 18 departments of the Corporation as covered by the term industry within the meaning of Section 2(14) of the Central Provinces and Berar Industrial Dispute Settlement Act 1947.<sup>3</sup> The principles laid down by the court in this case can be summarised as follows:

1. The definition of 'industry' in the Act is very comprehensive. It is in two parts : one part defines it from the standpoint of the employer and the other from the standpoint of the employee. If an activity falls under either part of the definition, it will be an industry within the meaning of the Act.
2. The history of industrial disputes and the legislation recognizes the basic concept that the activity shall be an organized one and not that which pertains to private or personal employment.
3. The regal functions described as primary and inalienable functions of the State though statutorily delegated to Corporation are necessarily excluded from the purview of the definition. Such regal functions shall be confined to legislative power, administration of law and judicial power.

<sup>1</sup> Budge-Budge Municipality v. P.R. Mukherjee and another A.I.R. 1950, Cal. 457.

<sup>2</sup> A.I.R. 1953 S.C. 58.

<sup>3</sup> A.I.R. 1960 S.C. 675.

4. If a service rendered by an individual or a private person would be an industry, it would equally be an industry in the hands of a Corporation.
5. If a service rendered by a Corporation is an industry, the employees in the departments connected with that service, whether financial, administrative or executive, would be entitled to the benefits of the Act.
6. If a department of a municipality discharges many functions, some pertaining to industry as defined in the Act, and other non-industrial activities, the predominant functions of the department shall be the criterion for the purposes of the Act.

As a result of these court decisions the Municipal authorities and State Governments have been experiencing many problems and difficulties in the administration of urban local bodies and the effective delivery of civic services. The 13th meeting of the Central Council of Local Self-Government held in November, 1970 debated this question at some length, and resolved to set up a Ministers' Committee to go into the question. The deliberations of the Committee have remained inconclusive.

#### *What is an Industry*

It is clear that municipalities can no longer take shelter under the provisions of the municipal enactments and insofar as their activities attract the definition of the term 'industry' under the Industrial Dispute Act they cannot escape the application of the I.D. Act. The main argument in favour of exclusion of Municipal Bodies from the purview of this Act has been that they should be treated on the same footing as the departments of the Central or the State Governments. But sub Section (g) of Section (2) clearly identifies the Heads of department of the Central or State Governments

or the Chief Executive Officer of a local authority as employers insofar as their activities are deemed to be an industry under the Act. Sub-Sections (j) and (s) of Section (2) of the Act defines 'industry' and workmen as follows :

“(j) ‘Industry’ means any business, trade, undertaking, manufacture or calling of employers and includes any calling, service, employment, handicraft, or industrial occupation or avocation of workmen.”

“(s) ‘Workman’ means any person (including an apprentice) employed in any industry to do any skilled or unskilled manual, supervisory, technical or clerical work for hire or reward—but does not include any such person—

- (i) who is subject to Army Act, 1950, or the Air Force Act 1950, or the Navy (Discipline) Act, 1934; or
- (ii) who is employed in the police service or as an officer or other employee of a prison; or
- (iii) who is employed mainly in a managerial or administrative capacity; or
- (iv) who, being employed in a supervisory capacity, draws wages exceeding five hundred rupees per mensem or exercises, either by the nature of his duties attached to the office or by reason of the powers vested in him, functions mainly of a managerial nature.”

The definition of the term industry is evidently very comprehensive and it gives very wide scope for judicial interpretation. The term covers practically every employment or calling. It does not exclude even a public utility and in fact includes such departments of the

Central Government as Posts and Telegraph, Railway and Transport Services, Defence establishments, Ports and Docks as also the municipal utilities of street lighting, water supply and drainage and any system of public conservancy and sanitation. The courts have, however, generally recognised regal functions of the Government such as deliberations on policies, legislative work, levy and collection of taxes, enforcement of laws and rules and general administration. The Army, Navy, Air Force and Police services are excluded from the definition of workmen as mentioned above. Apart from these, every activity of the government or local authority comes within the purview of the Industrial Dispute Act.

### *Is Local Government an Industry ?*

Municipal functions and activities can be broadly grouped as follows :

- (a) regal and governmental activities such as deliberations on policy, and legislative work, levy and collection of taxes, budget and accounts, enforcement of laws, rules and bye-laws and general administration;
- (b) management of certain services classified as public utilities under the I.D. Act; and
- (c) undertakings, other than public utilities but liable to be classified as industry or trade.

It is clear that the municipal authorities cannot claim exemption from (b) and (c) type of activities any more than the Central or State governments. But the Nagpur judgement even sought to include some of the municipal departments in the category (a) as falling within the meaning of the term 'industry'.

This extended meaning given to the term 'industry' has, however, been controverted in some later judgements. In the Gymkhana Club Case<sup>4</sup> the Supreme Court held that an establishment to be an industry must bear the definite character of trade or business or manufacture and must be capable of being described as an undertaking in material goods or material services. The then Chief Justice observed in this case that the judicial interpretations "disclose a procrustean approach to the term" and that the extended interpretation in the Nagpur Corporation case "was unfortunate and contradicted the earlier cases". Nevertheless the court pointed out that the policy of the Act was to put Government and Local Authorities on a par with private individuals. However, the local authorities could not be regarded as industry unless "they produce material goods or render material services and do not share by delegation in government functions or functions incidental thereto".

In yet another case of the Hospital Mazdoor Sabha<sup>5</sup> a hospital run by Government was held to be an industry. The Supreme Court, however, in the Safdarjang Hospital case<sup>6</sup> regarded the earlier interpretation as "an extreme view of the matter which was not justified" and held that the three hospitals concerned in this case were not industry.

Although there is no direct decision in a municipal case after Nagpur, the interpretation of the term industry in the various subsequent cases noted above clearly indicate that the municipal authorities would not be regarded as industry insofar as their activities relate to regal and governmental functions. In all other matters, however, there is no escape from the provisions of the Industrial Disputes Act. It is also not enough if some of the activities and establishments are included in the first schedule to the

<sup>4</sup> A.I.R. 968 S.C. 554.

<sup>5</sup> AIR 1960 S.C. 610.

<sup>6</sup> AIR 1970 S.C. 1407.

I.D. Act as public utilities, because the provisions of Section 22 prohibiting strikes in breach of contract by workmen or lock-out by employer without giving a notice of 14 days have not in practice been found of much advantage. Moreover, municipal authorities are hardly in a position to declare lock-out like a private employer, particularly when it is a matter of providing civic services. Under the circumstances, the Central and the State Governments had to acquire powers by special legislation to declare any of the services as an essential service to counter strike threats both in public utilities and in administrative establishments. In Rajasthan, the Industrial Dispute (Rajasthan Amendment) Ordinance of 1969 added a new sub-section 10(k) to the I.D. Act 1947 requiring employers and workmen to observe for such period as may be specified such terms and conditions of employment as may be determined by an order and to prohibit strikes or lock-outs generally or specifically. In Uttar Pradesh, U.P. Nagar Mahapalika Adhiniyam 1959 was amended in 1964 declaring most of the municipal services as essential services and placing restrictions on any member of such services against resignation, withdrawal or absence from duty. The amendment made further provisions giving powers to the State Government to declare emergency by a notification, in any city, so that no member of such essential services as are specified in the notification "shall, notwithstanding any law or agreement to the contrary, withdraw or absent himself from his duties or neglect or refuse to perform his duties or wilfully perform them in a manner which in the opinion of such officer as the State Government may specify in this behalf is inefficient."<sup>7</sup>

#### *The Need of Consultative Machinery*

While it is desirable that provisions should be made for declaring the

municipal amenities as essential services, it has to be recognised that such provisions have not ensured the prevention of strikes. The mere exclusion of a service from the purview of the I.D. Act is no guarantee against direct action or a series of conflicts in employer and employee relations. The National Labour Commission were of the view :

"The prohibition of strikes would be justified ; firstly, because any interruption in Government's functioning has far-reaching dangers to the community's welfare and security; and secondly, because the employer, in this case the Government, has no reciprocal right to declare a lock-out in the area of its services/operations. Such prohibition of strikes will, however, have to be accompanied by the provision of an effective alternative for the settlement of unresolved disputes. Hence the need for statutory arbitration machinery. Actually, our approach is to make strikes redundant in essential services by provision of an alternative method of settling all unresolved disputes."<sup>8</sup>

It is thus imperative to provide for an appropriate machinery to iron out differences and to forestall precipitate direct action and consequent disruption of services. It may be noted that the Government of India has taken steps to set up joint consultative machinery for settlement of outstanding issues with the employees both in public utilities and in civil administration. The principle has been extended even to the Cantonment Boards functioning under the direction and control of the Ministry of Defence. There is, however, no such mechanism for the municipal authorities. It will only therefore, be proper that the

<sup>7</sup> Section 112(B), 112(C) and 112(D) of the U.P. Nagar Mahapalika Adhiniyam, 1959, as amended.

<sup>8</sup> Report of the National Commission on Labour, Government of India, 1969, para 26.28.

municipal authorities must also have an appropriate machinery for negotiations and settlement of disputes with their employees. As in the case of the Joint Consultative Machinery in the Government of India it would be desirable to extend, whatever arrangements are devised, to all municipal departments, no matter whether they are covered by the

term 'Industry' under the I.D. Act, or not. Even though the I.D. Act were applicable it would be expected that most disputes will be effectively dealt with through the negotiating machinery and it will not be necessary to have recourse to the conciliation and adjudication machinery under the Act.

## Motivating Municipal Employees

**I**N a municipal organization, as elsewhere, performance of work differs from employee to employee. The same job say, collecting house tax, will be done well by X and badly by Y. If an executive officer or a commissioner is asked: What could be the reasons for such variations, one would get a variety of explanations such as 'Y is Mr. A's man, so he does not bother about work. He knows that he has a protector'; 'salary is meagre, so one does not feel like working hard'; 'even if one works hard, what are the chances of promotion and other benefits', in any case, 'only those who are on the right side of the right man prosper, so why work hard'. These are very familiar refrains. The purpose of this paper\* is to provide some scientific explanation of known variations in the performance of municipal employees

### *Contribution of Behavioural Sciences*

In the work situation, motivation has been generally understood as involvement in and commitment to work, and work satisfaction. Aside from this general meaning, motivation has also been construed as need specific. It is in this sense that McClelland, for instance, has conceptualised 'achievement motivation'. Writers like Maslow and Herzberg have used the concept of motivation in the same way in terms of satisfaction of specific psychological needs.<sup>1</sup>

Since the beginning of organized activities in human society, the problem of motivating people to work performance has been realised. But it is only in the last half century that scientific method, especially the conceptual and methodological tools of the behavioural sciences, has been brought to bear on its rigorous examination and solution.

It is generally acknowledged that differences in work performance are basically due to two things: differences in ability or skill, and differences in motivation to use ability or skill for actual work performance. One employee may do a job better than another because of superiority in skill or ability. Yet mere possession of skill is no guarantee of better performance. If the person with superior skill is not 'motivated' to do the job, his better skill will be of little use. Here one is faced with a psychological situation. The problem of motivation can now be put thus: acknowledging the fact that 'people vary in the extent to which they are willing to direct their energies towards the attainment of organizational objectives', how to increase their motivation to induce greater increase in job performance?

Victor Vroom and Edward Deci<sup>2</sup> have identified three broad organizational strategies for stimulating motivation. First, the employees will be motivated to

\*I am grateful to Professor Ishwar Dayal for valuable comments on an earlier draft of this paper.

<sup>1</sup> For an excellent overview of conceptual discussion and an integrative formulation, see Uday Pareek, 'A conceptual Model of Work Motivation', *Indian Journal of Industrial Relations*, July 1974.

<sup>2</sup> Victor H. Vroom and Edward L. Deci (ed.), *Management and Motivation*, Penguin Books, 1970.



perform their jobs effectively, if the organization is made a source of important rewards for them. The more they would be rewarded, the harder would they work. The rewards are unconditional in nature such as pensions, health insurance, subsidized education and so on. Everybody would be getting these by merely becoming member of the organization. This has been called the paternalistic approach to motivation.

Second, it has been assumed that the employees will be motivated to better performance, if a system of rewards and penalties would be directly linked to effective job performance. Unlike the first approach, the present one relies on conditional rewards. According to this view, motivation can be invoked by externally mediated rewards and penalties based on actual work performance. As this strategy has its roots in the scientific management methods of Taylor, this may be called the scientific management approach to motivation.

Finally, in recent years another approach to motivation has been evolved on the assumption that employees will do a job better if they have freedom to determine the mode of working and are emotionally committed to the job. An individual's satisfaction derived from doing an effective job *per se* is itself a great motivator. This approach is anchored in the autonomy and self-determination of the individual worker. The organization has to create conditions of participative decision-making and ego-involvement of individuals. Motivation to work, according to this view, has to come from within the individual, it cannot be externally induced by paternalism or authoritarianism. This approach has been called the participative management approach to motivation.

These three approaches to motivation

are not incompatible with one another. For instance, an organization may have a system of rewarding its employees for better job performance. Simultaneously, conditions can be created for maximum employee involvement in appropriate organizational decision-making. If the employees will be having necessary freedom to plan their jobs and would find the jobs challenging, they are expected to behave in a responsible manner and become emotionally involved in the jobs. Organizations can have a system of rewards and at the same time they can try to create conditions for the employee participation in job planning and decision-making.

### *Motivation Among Municipal Employees*

There is hardly any study on motivation among municipal personnel in India. The urban society depends almost exclusively on the municipal bureaucracy for essential civic amenities. And it is at the level of local 'government' that the citizens can see 'government' in actual operation. The way the citizens perceive the working of local government might be an important factor in conditioning their views about 'government' in a much more general sense. From this angle of vision, motivation of municipal employees in their jobs is crucial not only for municipal administration but also for the image of 'government' as a whole.

Several committees and commissions dealing with municipal problems have commented on the sad state of personnel administration in the municipal authorities in general. For instance, the Morarka Commission inquiring into the finances of Delhi Corporation and New Delhi Municipal Committee drew attention to low efficiency and problems of enforcing discipline among the Corporation employees.<sup>3</sup> Another recent all-India committee has observed :

<sup>3</sup> *Report of the Commission of Inquiry into the Finances of the Municipal Corporation of Delhi and the New Delhi Municipal Committee*, Vol. VI, Municipal Corporation of Delhi (General Wing), April 1971, Government of India, Ministry of Home Affairs.

"The essential ingredients of an effective local service, as indeed of any other service, are integrity, competence, impartiality, contentment and devotion to duty. All these can best be secured by establishing a permanent corps of officials, recruited on merits and having security of tenure and opportunity for advancement through well-graded and adequate scales of pay and a fair system of promotion. These ingredients are generally absent in the services of local bodies".<sup>4</sup> Here the assumptions are that if the organizational rewards both conditional and unconditional—would be substantial, these would help attract and retain qualified people. It is difficult, of course, to infer from this that such people would also be motivated to perform their duties better.

Generally speaking, the service conditions of the employees of the larger municipal corporations are much better, as compared to other municipalities. Yet whatever bits of information are available do not reveal higher motivation among the corporation staff. One research study on Delhi Municipal Corporation comes out with the finding that "the lower levels of the Assessment Department suffer from the general rut of clerical staff who have no commitment either to the policies or the objectives of the Department".<sup>5</sup>

The current trend in India is toward the formation of State-wide cadres for different municipal posts with a view to improving the service conditions of the municipal employees. Rajasthan for instance, introduced such cadres as far back as 1963. A survey of the background characteristics of municipal personnel in Rajasthan, however, reveals

that out of 48 respondents holding supervisory positions in different municipalities as many as 39 had no positive perception of the jobs they have been doing. The primary reason for being in municipal organization is stated as 'non-availability of better jobs'.<sup>6</sup> It seems that the officers have little attachment to municipal organization and do not take pride in its membership. In fact, majority of the municipal officers interviewed said that given a choice, they would prefer state and central government jobs. Employees with such negative perceptions about their jobs will, in all probability, have very low motivation to work.

### *Case Studies in Motivation*

Acknowledging the criticality of motivation to work in the municipal situation, this paper attempts to probe further the 'motivation' of municipal employees with the help of the critical incident technique. Two municipal employees—an assessment clerk and an engineer—were interviewed about their specific work situations. It is admitted that the sample is very small, and is not quite representative of the universe of municipal personnel. But the chief purpose of interviewing these officers has been to test a methodology and reach very tentative conclusions. The methodology initially adopted in this case comes close to following Herzberg's motivation-hygiene concept of job attitude.<sup>7</sup> Briefly, Herzberg's two-factor theory postulates two sets of factors called 'satisfiers' or 'motivators' and 'hygiene' factors. The 'satisfiers' are those factors that "describe man's relationship to what he does: his job content, achievement on a task, recognition for task achievement, the nature of

<sup>4</sup> *Report of the Rural-Urban Relationship Committee*, Vol. I, Ministry of Health and Family Planning, Government of India, 1966, p. 73.

<sup>5</sup> V. Jagannadham and N.S. Bakshi, *Citizen and the Municipal Bureaucracy*, Indian Institute of Public Administration, New Delhi, pp. ?

<sup>6</sup> Pratap Singh Verma, 'Background Characteristics of Municipal Bureaucracy: A Case Study in Rajasthan', *NAGARLOK*, January-March, 1972.

<sup>7</sup> Frederick Herzberg, *Work and the Nature of Man*, World Publishing Company, 1966. (In this book Herzberg has summarised the salient features of his earlier study with Mausner and Snyderman).

the task, responsibility for a task and professional advancement or growth in task capability". Contrarily the hygiene factors are those factors that provide the context, as distinguished from the content, of the job. These are related to the environment or working conditions that surround the job and serve mainly to prevent job dissatisfaction. In this category full salary, working conditions, supervision, organizational policy and work group. According to Herzberg's formulation, the motivators and hygiene factors are two qualitatively different aspects of work motivation. Eliminating or reducing dissatisfaction in work situation is not tantamount to providing positive job satisfaction. Real motivators that trigger people to better work performance are a group of factors that are related to what an employee actually does—his job content.

In interviewing the municipal officers, mentioned earlier, questions were asked *only* about their job content in order to understand the 'satisfiers' factors or the 'motivators'. No question was asked about the other aspect of Herzberg's theory, namely, the 'hygiene' factors. The officers were thus asked to recall a time in their career when they had felt exceptionally good about their jobs. Next, the reasons why they felt as they did were sought to be elicited. The respondents were asked to recall an actual objective happening and follow through its sequences within a time horizon. It is acknowledged that the sophistications of Herzberg methodology have not been followed *in toto*. For instance the percentage frequency with which the different factors appeared in the events through a sequential process has not been tabulated in the present case. All that we tried to find out is: are all the 'satisfiers' factors motivating a person to superior work performance equally relevant to the municipal situation? A related query that was pursued alongside this is: how to evolve a tentative explanatory model to interpret the task behaviour of municipal employees?

Let us now follow through the cases—one relating to an assessment clerk and another concerning a municipal engineer. The first candidate narrates his story in the following way:

"After passing the S.S.C. Examination, I joined the Paras Municipal Council as a Clerk on August 1, 1949. While in service, I passed the L.S.G.D examination in 1953 and L.G.S. Examination in 1970. For the first ten years, I worked in almost all the departments of the Municipal Council except the Assessment and Collection, and Octroi Departments. I had a very strong desire of working in the Assessment and Collection Department as its working is quite different from other departments. Moreover, I have a liking for mathematical calculations and maintaining neat records. At last my ambition was fulfilled and I was transferred to the Assessment and Collection Department from April 1, 1959. When I took charge of a Ward, I found that the records were not properly maintained and the demand register and other registers were not properly kept. The closing of demand register was also not done. The work of closing usually takes about 4 to 5 months. I completed the work of the clerk from whom I had taken the charge—within a couple of months. I then prepared a new demand register for the year 1959-60. The demand register contains the name of the owner, house number, rateable value, taxwise arrears of taxes at the beginning of the year, current year's demand (taxwise), supplementary demand (taxwise), recovery made during the financial year (taxwise), receipt number and date, taxwise amount of remission granted, resolution number and date, taxwise arrears (out of old arrears), taxwise arrears (out of current demand) at the close of the year, excess recovery, if any. The taxes and fees levied and collected by our Municipal Council were—(1) consolidated property tax, (2) special water tax, (3) special sanitary cess, (4) education cess (State), notice fee, warrant fee, interest. On each page of the demand

register, 4 entries (of the properties) were made, and there were 700 to 800 properties in each ward.

"After the closing of the demand register, the taxwise figures arrived at are required to be tallied with the taxwise figures in the collection register of each ward.

"From the above, it would be seen that the closing of demand register was a very difficult task. When I took charge of my ward, I decided to complete the closing work within the least time, and during the whole year I concentrated my mind on the work entrusted to me. I punctually made all the entries of assessment, collection, remission, etc., in the demand register. The year ended on March 31, 1959. When the day's work was over, I started the work of closing the register from 6.00 p.m. and I continuously worked up to 6.00 a.m. and finally completed the closing work. It was never in the history of our Municipal Council (and probably any Municipal Councils) that the closing work of a ward was completed on the last day of the year. But I had done this. Of course, there was no appreciation from any high officials for my job except the Head of the Assessment and Collection Department. But I was very proud of my job and I had the self-satisfaction. This was the moment when I felt extremely good about my job."

The second candidate, the Municipal Engineer, has a different story to tell. The incident, as described by him, is as follows :

"Mr. A, a senior IAS officer, was the Administrator in our superseded municipality. Mr. B was the Executive Officer and I was the Municipal Engineer. I was on medical leave, but the Overseer who was officiating used to consult me very frequently at my residence. The Administrator did not pay much value to Mr. B in his daily work. He had more confidence in me.

"Tenders for a building construction job were received in my absence. Although I did not see the file, I guessed from what the overseer told me when he had come to see me that all was not fair and it would have been better if the tenders were rejected and were reinvited. The overseer might have suggested the same to the E.O. but he did not agree to the suggestion, and recommended approval of the lowest tender. It was accordingly approved by the Administrator. Mr. A then proceeded on leave and one P.C.S. officer officiated in his place. Meantime, some controversy about a couple of items in the sanctioned tender arose and it was proposed by the office to exclude those few items while issuing the work-order to the contractor. At this stage I came back from leave and resumed duties.

"The P.C.S. officer was also known to me and had similar confidence in me. I confess that I did not look back into the file. I thought that since the tenders had not been sanctioned yet it would be better to reinstate the tenders instead of deleting a few items in favour of any particular contractor. I, therefore, recommended rejection of the tenders received and for reinviting them. Although the E.O. and the M.E. are in exactly the same pay scale, the Municipal Act mentions that all officers and servants of the Board are 'subordinate to the E.O.' Mr. B. was very much insistent on utilising this section of the Act and wanted all papers to be put up through him to the Administrator. However, I used to put up my papers directly to the Administrator.

"When Mr. B came to know that the officiating Administrator had ordered reinvitation of tenders he tried to impress on me that I had committed a blunder in getting Mr. A's orders reversed by a junior P.C.S. officer and it would be up to me to explain the whole situation to Mr. A when he would be resuming duties. I accepted the challenge.

"Eventually when Mr. A returned from

leave I explained the whole situation to him. He was very glad that I had got a mistake corrected. He admitted that he had taken the earlier decision as full facts were not rightly put up to him by the E.O. I was obviously very glad."

Of the two cases, the first one relates to a junior clerk who is low down in the hierarchy, yet who is ambitious and has a definite aim. The second case is that of a fairly senior engineer occupying an important technical position in the municipal organization. He has a certain pride in his competence and has been zealously guarding his functional territory.

The anatomical details of the first case would be as follows:

1. The clerk has a keen desire to move from position A to B (to work in assessment and collection department).
  - 1.1. Work is different in B.
  - 1.2. He has a liking for mathematical calculations and maintaining neat records.
2. He gets an opportunity to work according to his taste.
3. He has the will to accept a challenge; closure of demand register in as short a time as possible.
4. He decides for himself that he would complete the closing work promptly.
5. He follows through the processes facilitative of speedy closure of demand register with determination.
6. The closing work is completed on the last day of the year—a historic feat.

7. He has a craving for appreciation for the extraordinary performance.
8. He feels proud of himself and draws self-satisfaction from his achievement.

The Engineer's case reports a mixture of events relating both to work and the environment.<sup>8</sup> Its components are as under:

1. The Municipal Engineer has a self-definition of himself as one who is trusted by the Administrator—the top boss. He has direct access to the boss.
2. He has firm hold over his 'work territory'; the overseer comes to his residence even when he is on leave.
3. During his leave period, decisions were being taken on tasks falling directly within his work territory.
4. The suggestion of his representative (the overseer) has been overruled by the Executive Officer—an invasion of the Engineer's work territory by the Executive Officer.
5. An opportunity to reconsider the decision arose when there was some controversy over a couple of items in the tender.
6. The Engineer is back to his job and territory. He defends his work territory by rejecting the tenders.
7. The reversal of the earlier decision is an encroachment on the territory of the Executive Officer. He resents the move, unknowingly sells his territory to the Engineer and asks him to explain the position to the Administrator.

<sup>8</sup> It is being admitted that perhaps a more structured interview, of the Herzberg style, would have yielded more systematic data. Yet, it was feared that a structural interview would be introducing arbitrary selectivity in data gathering.

8. The Engineer accepts this as a challenge. This provides an opportunity to lend further support to his self-definition : that in his technical work territory he is supreme, and (as he seems to have been nurturing a feeling) he is superior in all respects to the Executive Officer.
9. The Engineer was successful in convincing the Administrator about the need for reversal of the earlier order. This looks like a victory for the Engineer and a defeat for the Executive Officer. The 'full facts' were not rightly put up by the E.O., hence the earlier decision.
10. The Engineer's supremacy in his work territory is acknowledged. He has his ego-satisfaction too. His self-definition of himself is further reinforced.
11. He gets appreciation for his work from the Administrator.

#### *Analysis of the Two Cases*

It is noticeable that the response of the first candidate to the question—when he had felt exceptionally good about his job—is fairly straightforward. His responses fall neatly into Herzberg's model.<sup>9</sup> He was keen to grow and develop in profession. He had risen up to the new responsibility which offered a challenge to him. He completed the task and looked for recognition, and in the end he had gained self-satisfaction out of his extraordinary performance. One can identify in his narration all the 'motivators'—growth and development, increased responsibility, challenging work, recognition for accomplishment and achievement.

The second case of the Engineer is not amenable to such simple and straight-

forward explanation. It needs to be emphasised that the Engineer has been holding a supervisory position. He heads his own department and in terms of pay scale there is no difference between him and the Executive Officer who normally heads the whole municipal organization. At the time of the happening reported by the Engineer, the Municipality was under supersession. The organization was headed by an Administrator and not by the Executive Officer. In terms of interpersonal relationship, the goings on between the Engineer and the E.O. seem to have proved a dissatisfier. The Engineer, on the other hand, was getting positive satisfaction out of his relationship with the Administrator who was directly accessible and appreciative of his technical expertise. In other words, there was congruence between the Engineer's self-definition of himself and the Administrator's perception of the Engineer's role. This had emboldened the Engineer to bypass the E.O. and speak with confidence straight to the Administrator about his job. The mutually satisfying relationship between the Engineer and the Administrator was immensely helpful for the former to preserve the 'autonomy' of his functional territory within the municipal organization. His self-confidence was anchored in his technical expertise which he could use unhindered in his work 'territory'—his own department. The 'territory' included a discrete portion of total municipal tasks and the 'employment hierarchy' below him in his department. So, the Overseer would be seeking his advice even when he would be on leave. The turning down of the Overseer's suggestion by the E.O. symbolised an unauthorised encroachment upon the Engineer's 'territory'. On return from leave, the Engineer immediately repaired his damaged territorial fence by advising reversal of the earlier decision. This marked the restoration of his coveted 'autonomy'. His performance was later ratified by the

<sup>9</sup> This happened without any deliberate attempt being made by the researcher to elicit information through a structured interview.

administrator which meant further reinforcement of his functional autonomy and, more importantly, his self-image.

In seeking an answer to the question—what were the factors motivating the engineer to his work performance, the Herzberg model does not seem to be as helpful as it appeared to be initially. The motivating factors cannot be put into the straight-jacket of 'satisfiers'. In that case, will a different model be necessary to explain motivation to work?

### *Motivation Problem Reopened*

To recapitulate, all that Herzberg and his colleagues have observed is that 'positive job attitudes are favourable to increased productivity'. The attitude-measuring instruments boil down to measuring job satisfaction through different persons' feelings of liking or disliking about some features of the job situation. Here the assumption has been that the attitudes grouped under 'job satisfaction' can alone explain individual differences in job performance. This is indeed of questionable validity. One might well as suggest that "job satisfaction is primarily a dependent variable in relation to job performance and that other

types of attitudes may have a much more critical role in determining task behaviour".<sup>10</sup>

In this context, the theoretical model of Lawler and Porter seems to be a much more powerful tool to explain task behaviour. In understanding the *effort* that a person puts into his job and the relationship between *effort* and *performance*, they posit an interactional situation among six relevant variables as shown in Fig. 1.

Two variables—value of rewards and probability that rewards depend upon effort—are crucial in understanding the factors determining a person's effort that he puts into his job. The first variable denotes a person's differential desires for a variety of possible valued outcomes; while the second refers to his subjective perceived expectation about the probability that the expected outcomes will follow from his effort. In a work situation effort is the process part of achievement or performance. It refers to 'the amount of energy an individual expends in a given situation'.

Since effort and performance are not synonymous, there must be some other

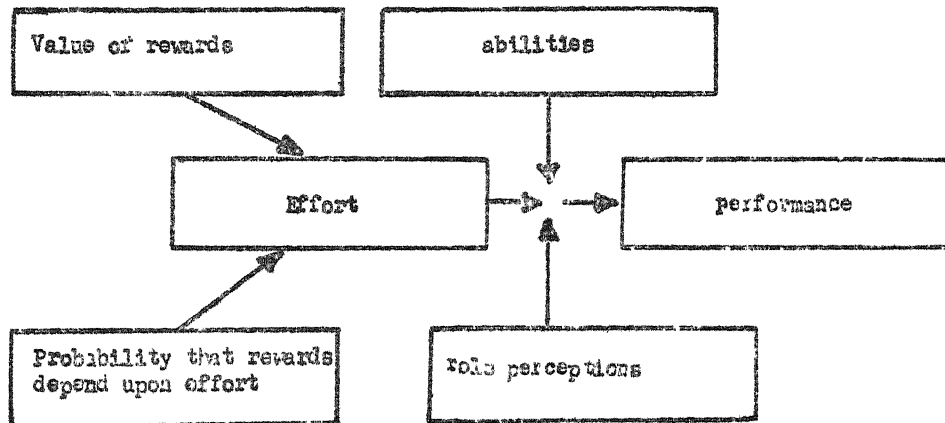


Fig. 1

<sup>10</sup> Edward E. Lawler, III, and Lyman Porter, 'Antecedent Attitudes of Effective Managerial Performance' in Victor H. Vroom & Edward L. Deci (eds.), *Management and Motivation*, Penguin Books, 1973.

variables affecting task accomplishment. The Lawler and Porter model identifies two major categories of variables that, in association with effort, go to determine performance. These are 'abilities' and 'role perceptions'. Ability has been defined as the power to perform—the power derived from intelligence, acquired skills, personality traits and so on. Role perceptions are much more situational in the sense that these determine 'the kinds of activities and behaviour the individual feels he should engage in to perform his job successfully'. These involve an individual's subjective views about the requirements of a specific job. Accurate role perceptions would reveal a congruence between the views of the performing individual and the evaluating superior.

The model hypothesizes that 'attitudes are involved in affecting performance primarily through only two of the three antecedent variables, namely, effort and role perceptions'.

#### *The Engineer's Case Re-examined*

If we now look back to find an explanation for the Engineer's task behaviour, it seems that the theoretical model just described is extremely useful for the purpose. The story narrated by the Engineer reveals certain attitudes such as his strong attachment to his work territory and his self-confidence arising out of his technical expertise. His felt-need to preserve and promote his functional autonomy originally draws sustenance from his technical expertise, but it has been further aggravated by perceived aggression of his work territory by the Executive Officer. The Administrator's absolute reliance on him has lent further support to his territory. The effort that he puts on his job is triggered by his perceived desired outcomes or rewards, namely, recognition by the Administrator, strengthening of his position *vis-a-vis* the Executive Officer, presentation of autonomy of work territory and so on. Knowing full well that he

has the backing of the Administrator, his role perceptions combine with his technical skill to determine the precise nature of his performance—in the instant case, rejection of the tenders and reversal of earlier order.

The Assessment Clerk's case can also be explained with the help of the same theoretical model. The determining variables of the effort that the clerk puts on his job are some perceived rewards or outcomes desired by him. His effort combines with his abilities and role perceptions to direct his performance. He was conscious of his special skills, and seemed to have perceived, in his own way, the kinds of activities and behaviour he should engage in to successfully complete the job.

To sum up, in understanding motivation of people to work the Herzberg model is useful up to a point. It does help in explaining task behaviour of employees with the help of job satisfaction variables. But its weakness seems to be to try to explain differences in work performance with the help of only one type of attitude, namely, job satisfaction. There are other important types of attitudes that are of crucial significance in determining task behaviour. The conceptual model of Lawler and Porter provides a far more powerful tool to explain the relationship between various critical attitude variables and task performance. In the municipal organization, as elsewhere, any attempt to modify performance through attitudinal changes has, according to this model, to reckon with three specific types of attitude, namely, the two effort-determining variables and role perceptions.

#### *Concluding Observations*

As already stated, the purpose of this paper is to highlight the importance of motivation to work in the municipal context. With very limited evidence, some explanatory propositions have been



advanced here to shed light on task behaviour in the municipal situation. Generally, we are used to answering questions like 'why the municipal employees suffer from lack of motivation to work' in a very cursory and casual fashion. Human behaviour is caused.

It is necessary to scientifically examine the municipal work situation and the mind of the employee at work. Only then it would be possible for us to diagnose the causes of lack of motivation, and steps could be taken to find solutions to the problems.

## Municipal Personnel System in Maharashtra

**T**HERE are in Maharashtra, 5 Municipal Corporations and 221 Municipal Councils. From the point of view of personnel systems these can be divided into 3 categories.

### *The Bombay Municipal Corporation*

In the first category, we have the Bombay Municipal Corporation which is governed by a separate Act enacted in 1888. This Act which provides for the separation of the deliberative and the executive functions in the Municipality, has served as a model for most of the Acts relating to Municipal Corporations enacted later all over the country. Under this Act, the Chief Executive (*viz*, the Municipal Commissioner) is appointed by the state Government. The Commissioner is also empowered to make appointments to all posts the minimum monthly salary of which (exclusive of allowances) is less than Rs. 500, except posts under the Municipal Chief Auditor. All appointments to posts with a salary of Rs. 500 or more are made by the Municipal Corporation though in respect of certain key appointments such as the Deputy Commissioners, the City Engineer and the Executive Health Officer, the appointments require confirmation by the State Government.

The Corporation as well as the Commissioner are, however, required to consult the State Public Commission in respect of all appointments which carry a salary of Rs. 300 or more exclusive of allowances.

All officers and servants whether appointed by the Commissioner or the Corporation, except officers and servants under the Municipal Chief Auditor are responsible to the Commissioner, who, as stated above, is the Chief Executive appointed by the State Government.

### *The 'Provincial' Municipal Corporations*

In the second category, we have four other Corporations: Poona, Nagpur, Sholapur and Kolhapur. The Nagpur Corporation is governed by a separate Act whereas the other three Corporations are governed by the Bombay Provincial Municipal Corporation Act of 1949.

As in the case of the Bombay Municipal Corporation, the Chief Executive, *i.e.*, the Commissioner is appointed by the State Government, and the provisions relating to services are more or less similar to those in the Bombay Municipal Corporation Act but with three significant differences:

- (i) The Provincial Municipal Corporations are not required to consult the Public Service Commission in making appointments to higher posts;
- (ii) The Act provides for the appointment of a staff Selection Committee for the selection of candidates for posts filled by the Commissioner.
- (iii) The Corporations are required to obtain the sanction of the State Government even for the

creation of posts with a minimum monthly salary of Rs. 400 or a maximum salary of more than Rs. 800.

Each Corporation has its own cadres of officer though they sometimes have on deputation from the State Government some of their Principal officers. Such cases are however very few. A Committee appointed some years ago to consider the unification of the Corporation Acts recommended the creation of common cadres for all the Corporations and other Municipal Councils, but this recommendation (along with the recommendations to unify the Corporation Acts) was not accepted.

### *Municipal Councils*

The third category consists of 221 Municipal Councils governed by the Maharashtra Municipalities Act 1965. Maharashtra is made up of three parts which belonged to the erstwhile states of Bombay, Hyderabad and C P. & Berar and till 1966, therefore, the Municipalities in each part were governed by a separate Act with a different personnel system. They were all brought into a common system by the Maharashtra Municipalities Act, 1965. Some vestiges of the old system, however, still remain.

The Act divides officers and servants of municipal councils into 4 categories as follows :

- (a) The Chief Officer;
- (b) Other principal officers like the Municipal Engineer, the Municipal Health Officer, the Municipal Auditor, the Municipal Education Officer and any other officers specified by the State Government;
- (c) Appointments with a minimum monthly salary of Rs. 75 or more; and
- (d) Appointments with a minimum monthly salary of less than Rs. 75.

With effect from the 1st May 1974 the Chief Officers have been constituted into a state cadre. There are in all 4 grades in this cadre as follows :

<i>Grade</i>	<i>Pay-Scale</i>	<i>For M. Cs. with a Population of</i>
I	410-1200	More than 1,00,000
II	300-830	75,000 — 1,00,000
III	220-400	30,000 — 75,000
IV	170-340	Below 30,000

These scales more or less correspond to the scales of similar posts in the State Civil Service.

Appointments to grade I are to be made entirely by promotion from among Grade II officers. Appointments to Grade II and III are to be made partly by promotion from the next lower grade and partly by direct recruitment. Appointments to Grade IV will be made in such a way that about 75 per cent will be filled by direct recruitment and 25 per cent by promotion from among the municipal employees.

Appointments to Grade I and II posts which are gazetted posts will be made in consultation with the Public Service Commission whereas those for Grade III and IV will be made in consultation with the Regional Selection Boards to be set up by the State Government.

(The State will soon have six Regional Selection Boards to select candidates for all non-gazetted appointments in the State Services).

All the existing Chief Officers are to be absorbed in this cadre if their records are satisfactory and if they possess the prescribed qualifications, though the latter condition can be relaxed. The work of absorption of the existing officers is at present in progress.

As for officers in category (b), Government is authorised to frame rules about their pay, allowances and other conditions

of service. The appointments, however, are left entirely to the discretion of the Council. In fact till the creation of the cadre of Chief Officers even the appointments of Chief Officers did not require confirmation by the State Government so long as they conformed to the rules. (It is somewhat anomalous that the Municipal Corporations are required to get the appointments of their principal officers confirmed by the State Government whereas the smaller municipal councils are not). The Act empowers Government to constitute State cadres in respect of these officers also, but so far there has been no move to constitute such cadres. In any case the experiment of the State cadre of Chief Officers is new to Maharashtra and unless that is successful, it would not be advisable to venture upon more cadres.

2. In regard to officers and servants in category (iii) (i.e., those drawing a minimum monthly salary of Rs. 75 or more), the Council is competent to determine the conditions of service subject to any special or general orders of the Director of Municipal Administration.

3. In regard to the employees in category (iv) the Council itself can lay down the terms and conditions of service by bye-laws though the bye-laws require the approval of the Collector. With the gradual increase in the payscales of municipal employees, this category is dwindling.

4. Another important provision in the Act is the protection given to the officers and servants against harassment and victimisation. No employee drawing more than a specified salary limit, can be removed without the approval of the Collector. An appeal can lie to the Director of Municipal Administration against any penalties imposed by the

Council. Cases which cannot be covered by these provisions are of en dealt with under the general powers of revision conferred upon the Director of Municipal Administration by the Act.

It can be seen from this brief resume that the general approach in regard to municipal services so far, has been to leave them free of Government control except for a few restrictions laid down by rules and bye-laws and the appellate powers of the officers of the State Government. The controls provided for in the Act have also not always been exercised with great rigour. It would not perhaps be incorrect to say that there is no definite personnel policy in Maharashtra so far as municipal services are concerned. There has also been similar lack of interest in regard to training of officers and servants and hitherto this has been left entirely to the Local Self-Government. Institute and the Regional Centre of Municipal Administration attached to it.

Two new developments, however, point to the emergence of a more positive policy. The first is the creation of the cadre of Chief Officers from the 1st May 1974. This, if successful, may lead to the creation of more cadres such as those of Valuation Officers, Internal Auditor, Engineers, Public Health Officers and Sanitary Inspector. Such cadres are necessary not only to free municipal officers from the pressures of local politics but also to attract better persons to municipal services.

The second development is the setting up of Regional Selection Boards for all non-gazetted posts under the State Government and local bodies. This may not only check nepotism in municipal appointments but may also check the unhealthy tendency in some Councils to inflate establishments to provide jobs.

## Municipal Personnel System in Andhra Pradesh

**T**HE Municipal authorities charged with carrying out the provisions of the Municipal Act in Andhra Pradesh are: (i) Council, (ii) Chairman, and (iii) Commissioner. The Council and the Chairman constitute the elected wing and the Commissioner constitutes the executive wing.

The Commissioner shall be appointed by the Government and he shall be the Executive Authority of the Municipality. The Government may appoint a Deputy Commissioner to the Municipality to assist the Commissioner. The Commissioner shall carry into effect the resolution of the Council, furnish to the Council such periodical reports regarding the progress made in carrying out the resolutions of the Council, exercise the executive power for the purpose of carrying out the provisions of the Act and due fulfilment of the purposes of the Act, besides being responsible for the collection of taxes, fees, etc., removal of encroachments, in charge of office, records, etc., and inspection of places of entertainment for verifying sale of tickets. The Government shall have power to make rules to regulate the classification and methods of recruitment, conditions of service and disciplinary conduct of the Commissioner. The Government shall pay the salaries and allowances of the Commissioner from the State funds and recover the same from the concerned municipality.

For any municipality, the Government may sanction the posts of Municipal Health Officer, Municipal Engineer,

Education officer and Town Planning Officer in consultation with the Council. Appointment to those posts shall be made by the Government. The rules to regulate the classification and methods of recruitment, conditions of service, pay and allowances and disciplinary conduct of those officers shall be made by the Government. These officers shall be deemed as officers of the Council and shall in the exercise of the powers and discharge of the functions under the Act be subject to such control and direction of the Commissioner as prescribed by the Government, except in respect of rules relating to discipline and conduct. The Government shall pay the salaries and allowances of those officers from the State funds in the first instance and recover the same from the concerned municipality.

The Commissioner and other officers appointed by the Government shall be withdrawn by the Government if such withdrawal is recommended by a resolution at a special meeting called for the purpose by the Council and supported by the votes of not less than three-fifths of the sanctioned strength of the Council. After a little experience with this provision, Government have advised the Councils not to invoke this provision as a routine manner, since it will demoralise an officer who is devoted to service and is in strict discharge of his duties. However, the Government advised the Councils to bring to their notice any irregularities committed by any officer.

Excepting the posts of Commissioner

and other officers mentioned above, all proposals in respect of designations, number, grades, salaries, etc., of municipal officers and employees shall be sanctioned by the Council. This power of the Council is being exercised with the previous sanction of the Government. In fact there appears no provisions in the Act which prohibits the Council to exercise this power without the sanction of the Government. Of course, Government have power to fix or alter the number, designations, grades, salary, etc., of Municipal staff by themselves and the Council has no power to vary them. This power, the Government have delegated with certain restrictions to the Director of Municipal Administration and the Director of Medical and Health Services in respect of certain posts.

We will now discuss the general staff pattern in the municipalities.

### *Management*

It comprises general, collection and accounts branches. The general branch comprises certain ministerial staff headed by a Manager. The collection branch headed by a Revenue Officer comprises Revenue Inspectors (Tax Inspectors) and Bill Collectors. The accounts branch consists of a few clerks headed by an Accountant. Of course, there will be peons, watchman, etc.

### *Public Health*

Headed by the Municipal Health Officer, this branch will comprise Public Health, Vital Statistics, Medical, Maternity, Child Welfare and Family Planning wings. In Public Health wing, there will be Sanitary Inspectors, Sanitary Jawans, Public Health workers, and Vaccinators to look after scavenging, sweeping, drain cleaning, compost work, etc., and vaccinations. There will be lorry drivers, etc., engaged in mechanised transportation of rubbish and night soil. The Birth and Death Registrar will attend the Registration work in respect of births and deaths.

The municipalities maintain dispensaries of Allopathic, Ayurvedic and Unani systems. There will be Medical Officers assisted by compounders and pharmacists in the dispensaries. In the maternity, Child Welfare and Family Planning centres, Maternity Assistance, Health Visitors, etc., will be working.

In addition to the above staff, in certain municipalities, there are Veterinary Officers to look after the ante-mortem and post-mortem inspection of slaughtered animals. The Veterinary officers, in addition to this item of work will look after the conservancy animals.

### *Engineering*

This branch in the municipality is headed by the Municipal Engineer. It comprises three main sections, the public works, *i.e.*, roads, bridges, culverts and buildings, etc., water works, *i.e.*, water supply and drainage, and street lighting, *i.e.*, electric lighting and kerosene lighting. In addition, there are institutions like parks, play fields, radio rooms, and rest houses, etc., under the control of the Municipal Engineer.

Supervisors, Overseers, Mistries, road coolies, etc., in public works section, supervisors, fitters, linemen, electricians, meter readers, etc., in water works and drainage section, Lighting Superintendents and lighters, etc., in lighting branch besides park Superintendent, Rest houses Superintendent, etc., will constitute the establishment in the Engineering Section. There will, of course, be watchmen to watch all the municipal buildings and institutions.

### *Town Planning*

The Town Planning branch in the municipality is headed by the Town Planning Officer. The preparation of master plans, town planning schemes, sanction of layouts, sanction of building plans, and regulation of encroachments are the main functions of the town

planning section. Supervisors, Overseers, Building Inspectors, Encroachment Inspectors, Surveyors, and Chainmen will constitute this branch.

### *Education*

The Education branch is headed by the Education Officers assisted by School Supervisors. Of course, Government have not so far sanctioned any post of Education officer to any municipality in the State. Besides the School Supervisors, there will be Headmasters and School Assistants in the Secondary and Elementary schools. Apart from the teaching staff, there will be vocational teaching staff, namely, Physical Instructors, Craft teachers, Music teachers, etc., and ministerial staff in the schools.

The appointments of the Municipal staff will be made at the local level only. No rules have been made by the Government in respect of appointments of municipal staff after the present Act came into force during 1965, abolishing the old Andhra Area Act 1920 and Telengana Area Act of 1956. However the rules issued under the Act of 1920 are being followed in Andhra Area and rules under Hyderabad Civil Service Rules (no rules have been issued under the the Act of 1956) are being followed in Telengana Area. A provision has been made in the Act for representation of scheduled castes, scheduled tribes and backward classes of citizens in the appointment of Municipal staff and specific rules have been laid down by the Government in this aspect. The appointment to the Municipal staff will be made through the employment exchange.

The appointment of an employee when the pay or maximum pay does not exceed one hundred rupees per month will be made by the Chairman. If the pay or maximum pay of an employee exceeds one hundred rupees per month, the appointment will be made by a Committee consisting of the Chairman, the Commissioner and one Councillor elected by the

Council for the purpose. The appointment to a post of Headmaster or Headmistress of a secondary school shall be made by a Committee consisting of the Chairman, the Commissioner and the District Educational Officer of the District concerned

The Government has got powers to constitute any class of officers or employees of the Municipal councils into a Municipal service for the State. The Government will appoint a Directing Officer to that service and he is responsible for the appointment and disciplinary control of the members in that service. So far, the Government have constituted two such services. They are : (i) in respect of certain classes of ministerial staff, and (ii) Engineering Supervisors and they are Andhra Municipal Subordinate Service and Andhra Pradesh Municipal Engineering Supervisors Service respectively. The Directing officers of those services are the Director of Municipal Administration and the Chief Engineer (Public Health) respectively. They are the appointing authorities in respect of such class of Municipal staff.

The Government shall have power to transfer any employee of a Municipality to the services of any other Municipality. The Government have delegated this power to different heads of departments, namely, the Director of Municipal Administration, the Regional Directors of Municipal Administration, the Director of Medical and Health Services, the Director of Town Planning, the Chief Engineer (Public Health) and the Superintending Engineers (Public Health). An interesting and complex problem has cropped up in the State with transfer of Municipal employees from one Municipality to another. If a municipal employee is transferred, where can his services be considered for purposes of promotion? Will it be in the parent municipality or will it be in the municipality where he is working? A reading of the relevant provision of the Act will reveal that the transfer of any employee means the

transfer of services and so for purposes of promotion, etc., the services in the municipality where he is working need be considered. The services of the municipal staff is local and each municipality constitute a unit by itself and the services of staff in respect of one municipality need be considered as a unit by itself for purposes of promotion, etc. When promotions in a municipality are made, it becomes necessary to bring back all the employees belonging to that municipality wherever they are working. In that case, the transfers have become superfluous and purposeless. If transfer of municipal employees for better and efficient administration is felt inevitable, 'units' at the municipal level need be abolished and, the entire State or parts of the State need be made a 'unit' and transfers and promotions need be effected. Unless State service of municipal employees is constituted, it may not be possible to give effect to that provision and get away with the complicating and complex problem. Or else rules in respect of appointments (including promotions) of Municipal staff covering in comprehension of all these issues need be framed and issued.

On an application made by the Council, the Government may place the services of any Government employees at the disposal of the Council and the Council need pay the salaries of those employees.

Regarding disciplinary control, the municipal staff are under the control of the Commissioner and the Chairman. The staff where a State service is constituted are under the disciplinary control of the Directing officer of that service. Except against the Officers appointed by the Government, i.e., Municipal Health Officer, Municipal Engineer, Education Officer or Town Planning Officer, and against those where a State service is constituted, there are two authorities who can punish the municipal staff. The Commissioner can censure, fine, withhold promotion, suspend or revert an employee for any breach of departmental rule or discipline

or for carelessness, unfitness, neglect of duty or other misconduct. The Chairman shall have power to impose penalty of removal or dismissal of an employee. He can suspend any officer or employee pending action proposed to be taken by him for removal or dismissal in public interest. The punishments can be inflicted by the Commissioner or Chairman only after giving him an opportunity for showing cause against the punishment proposed.

The Commissioner, being the executive authority of the municipality is responsible for carrying out the provisions of the Act and unless the staff are under his effective disciplinary control, he could not assert his office effectively and deliver the goods. For that reason, the powers of removal and dismissal of municipal staff should vest with the Commissioner only. Secondly, under the provisions of the Constitution of India, no person who is a member of a Civil service of a State shall be dismissed or removed by an authority subordinate to that by which he was appointed. A Municipal employee is appointed by a committee consisting of the Chairman, the Commissioner and a Councillor, when his pay and maximum pay per month exceeds one hundred rupees, whereas he is removed or dismissed by Chairman alone. Obviously, it appears against the provisions of the Constitution of India.

As is said above, the disciplinary control in respect of the employees where State service is constituted lies with the Directing officers. However, the Government have empowered the Commissioners to sanction increments as well as to impose penalties under his power against the staff covered under Andhra Municipal Subordinate Service. No doubt, there are advantages in the constitution of State service in respect of Municipal employees. The overall seniority will be taken into account when promotions, etc., will take place. This is very important when transfer of municipal employees is inevitable. Further, the employees will be under the



disciplinary control of a State Officer and they will not be under the disciplinary control of local officers, *i e*, the Chairman or the Commissioner. Thus their merit, ability and seniority are safeguarded and

interest saved.

But for the few lacunae cited above the system of personnel management in the municipalities in the State can be said to be functioning effectively.

## BOOK NOTE

*MUNICIPAL PERSONNEL SYSTEM* (Proceedings of the Seminar), Centre for Training and Research in Municipal Administration, IIPA, New Delhi, 1971, p. 88, Rs. 6. 00.

Efficient functioning of Municipal Administration depends largely upon a well conceived and clearcut municipal policy. This is one of the main factors, which has contributed extensively to the working pattern of urban local authorities in India. The different municipal personnel systems existing in different states have undermined the efficiency in Municipal Administration. Moreover, there is hardly any clearcut personnel policy for urban local bodies in terms of rules and regulations regarding recruitment, promotion and disciplinary control of the employees of the urban authorities.

The Municipal Training and Research Wing of the IIPA (now called the Centre for Urban Studies), organized a seminar on June 7-8, 1971 on some of these problems. The seminar was well attended by officials and non-officials and experts on the subject.

The deliberations of the seminar centered around five papers presented by the Faculty members of the Institute.

The first paper presented by Dr M. Bhattacharya was on 'Municipal Personnel Problems and the Municipal Management Structure'. The author threw light on three problems : (a) absence of proper rules and regulations regarding qualifications, scales of pay and other service conditions, (b) inability of the municipal authorities in general to offer adequate salary and attractive service conditions due to their poor financial conditions, and (c) the debilitating effect of narrow municipal politics which stands in the way of proper municipal personnel management. During discussions on the paper, the consensus of opinion was in favour of 'retaining the local autonomy', but a considerable difference of opinion existed among the participants over the provincialization of municipal services. It was generally felt that the municipal employees belonging to unified cadres, being relatively free from political pressures, would prove more efficient.

Prof. Deva Raj in his paper on 'Management of Municipal Cadre' brought out the problem of non-existence of any municipal personnel policy. He traced the history of municipal personnel system, and dwelt on the recent changes. The author stressed the need for well conceived training courses to develop expertise among the members of different cadres. Regarding the unified municipal cadre, the paper suggested that the 'powers of appointment', promotions, postings and transfers as well as ultimate disciplinary control, must vest in a single authority at the state level. Prof. Deva Raj emphasized the establishment of a 'central fund' at the State level with contributions from the urban local authorities to their share of pension or provident fund according to a prescribed schedule in respect of each officer posted to them. This common fund will also facilitate the meeting of the cost of training and staff development in respect of foundation courses and in-service long-term training programmes. The participants in the seminar voiced concern about loss of control over municipal personnel by local bodies which, according to them, could be detrimental to institutional growth. There was a school of

thought strongly urging that all the powers essential for effective management of municipal personnel should vest in the local authorities. The State government should act as a standard-setter, promoting uniformity in service conditions for the municipal employees within the state and the municipal employees should not be paid less than their counterparts engaged in the state government. The state-municipal financial relations should be reviewed to facilitate induction of competent and qualified persons and provision of better service conditions. It was also felt that the local authorities should "redouble their efforts for better mobilization of resources."

The third paper was presented by Shri Abhijit Datta on 'Training in Relation to Municipal Staffing pattern'. The author reviewed the existing training facilities for the municipal personnel and discussed how training can enlarge the outlook of the employee, and increase efficiency in discharging his duties. The author recommended the establishment of municipal staff college for organizing foundation courses, conducting examinations in specialized branches of municipal administration outside the purview of existing professional associations and, by implication, relating the performance of the trainee-officers to their career prospects. The author further stressed the special role of municipal centres in the academic institutions for widening the mental horizons of municipal employees, as distinct from making them more relevant or useful in their existing positions. The author suggested that in order to involve the local authorities in the training processes, cost of training should be charged partially or wholly from them, *i.e.*, fees, charges for seminar and other programmes.

The consensus of opinion from the discussion was that 'the effectiveness of training programme is very largely dependent upon the quality of personnel initially recruited in the administration and on the importance such programmes have in individual's career advancement'. It was generally felt that 'the establishment of of a Central Agency at the state level was essential for developing a sound system where various aspects of personnel administration, including training could be integrated'.

Another paper was presented by Shri D. D. Malhotra on 'Municipal Executives and Technical Officers: Problems of their Relationship'. The paper presented at the outset the well-known generalist-specialist controversy. The author discussed the nature of relationship and the sources of conflict in an organization, due to cadre differences, pay scales, etc., including the mutual role perceptions between the generalists and the specialists. The paper also discussed the merits and demerits of autonomy and control, parallel hierarchies, supervision and control. It was emphasized that 'there is increasingly a need for administrative leadership which is stimulative and collaborative rather than directive'. The paper brought out points of conflict as a consequence of specialization: (a) technical officer is supported by the authority of distinctive competence, (b) technical officer has limited participation in authority structure, (c) technical officers enjoy less prestige and status than executive officers, and (d) it is not feasible for technical officers to assume the role of executive officers. It was further pointed out that separate personnel system being an open system, has room for technical officers to assume senior administrative positions. The author further observed that the unified personnel system tended to create functionally differentiated strong groups operating as close systems. While talking about the integrated system, the author visualized the following consequences: (a) the relationship between the executive officers and the technical officers gets more complicated;

(b) departments with distinct functions are likely to develop autonomy; (c) each system will develop a power base in order to protect its own interests; if such powers are in conflict with each other, the conflict gets accentuated; (d) committee system based on departmental lines puts strain on technical executive relationship; and (e) the existing fragmentation of municipal personnel into different systems is likely to disturb administrative focus thereby affecting its efficiency in tackling municipal problems.

There was general agreement in the Seminar that the municipal organization must be under the administrative control of the Chief Executive Officer, and his service conditions should be made more attractive, *vis-a-vis* other functionaries. Any staffing pattern which undermined unity of command could not be conducive to good administration. But at the same time, for filling up that position, there should not be any bias against specialists possessing necessary qualifications

The last paper 'Position Classification in Municipal Administration' was presented by Dr. S. P. Verma. The author made an effort to indicate the existing classification system in municipal administration, its adequacy to fulfil the objectives of a rational personnel system and the ways and means to bring about desirable changes. It was suggested that there was need for a centralized personnel agency for a sound classification plan. According to the author this agency would be responsible to lay down uniform job standards, class specifications and grade definitions. In the context of urban local bodies it was suggested that the work could be assigned to the local self-government department which controls the personnel policies and programmes of municipal services. For larger corporations, independent public service commission could be set up to fulfil the role of a central agency. Viewing the importance of position classification as an integral part of municipal personnel administration, the author suggested that there should be constant review of the personnel policies and practices from time to time and pilot surveys and feasibility tests should be undertaken.

The participants discussed the merits and demerits of the existing personnel system. There was no unanimity of opinion. But a strong argument was made that 'position classification approach has succeeded in the western countries due to the prevalence of high degree of specialization in personnel system.' The application of this system would perhaps be possible in the case of highly technical services.\*

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\*This summary version has been prepared by Shri M. K. Narain.

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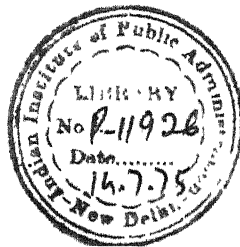
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